# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended September 30, 2026**

**OR**

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

**For the transition period from to**

**Commission File Number: 001-40708**

# CLIMB BIO, INC.

**(Exact Name of Registrant as Specified in its Charter)**

| **Delaware** | **83-2273741** |
|---|---|
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **20 William Street**<br>**Suite G50**<br>**Wellesley Hills, MA** | **02481** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**Registrant's telephone number, including area code: (866)-857-2596**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Stock, par value $0.0001 per share** | **CLYM** | **The Nasdaq Stock Market LLC (The Nasdaq Global Market)** |

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

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

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

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

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

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

As of October 30, 2026, the registrant had 58,738,178 shares of common stock, $0.0001 par value per share, outstanding.

**Table of Contents**


| | | Page |
|---|---|---|
| **PART I.** | FINANCIAL INFORMATION | 4 |
| Item 1. | Condensed Consolidated Financial Statements (unaudited) | 4 |
| | Condensed Consolidated Balance Sheets | 4 |
| | Condensed Consolidated Statements of Operations and Comprehensive Loss | 5 |
| | Condensed Consolidated Statements of Stockholders' Equity (Deficit) | 6 |
| | Condensed Consolidated Statements of Cash Flows | 7 |
| | Notes to Condensed Consolidated Financial Statements | 8 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 19 |
| Item 3. | Quantitative and Qualitative Disclosures About Market Risk | 27 |
| Item 4. | Controls and Procedures | 27 |
| **PART II.** | OTHER INFORMATION | 29 |
| Item 1. | Legal Proceedings | 29 |
| Item 1A. | Risk Factors | 29 |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 81 |
| Item 3. | Defaults Upon Senior Securities | 81 |
| Item 4. | Mine Safety Disclosures | 81 |
| Item 5. | Other Information | 82 |
| Item 6. | Exhibits | 83 |
| Signatures | | 84 |

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (Quarterly Report) contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act), that involve substantial risks and uncertainties. All statements, other than statements of historical fact, 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 "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," "would," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this Quarterly Report include, among other things, statements about:

- the initiation, timing, progress and results of our and our partners' research and development programs, nonclinical studies and clinical trials;
- the anticipated timing of the submission and clearance of investigational new drug applications (IND) and comparable foreign applications for budoprutug and CLYM116;
- our estimates regarding the potential patient populations for our product candidates;
- our estimates regarding expenses, future revenue, capital requirements, need for additional financing and the period over which we believe our cash, cash equivalents and marketable securities will be sufficient to fund our operating expenses and capital expenditure requirements;
- our plans to develop and, if approved, subsequently commercialize our product candidates;
- the timing of and our ability to submit applications for, and obtain and maintain regulatory approvals for our product candidates;
- our intellectual property position and our expectations regarding our ability to obtain, maintain and enforce intellectual property protection for our product candidates;
- our estimates regarding the size of the potential markets for our product candidates and our ability to serve those markets;
- our commercialization, marketing and manufacturing capabilities and strategy;
- our competitive position and expectations regarding developments and projections relating to our competitors and any competing products that are or might become available;
- the impact of government laws and regulations;
- the benefits of, and our ability to satisfy our obligations under, our license agreements;
- our ability to enter into future collaborations, strategic alliances, or option and license arrangements; and
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (JOBS Act).

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 this Quarterly Report particularly in the "Risk Factor Summary" below and 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. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

You should read this Quarterly Report and the documents that we reference herein and have filed as exhibits or incorporated by reference hereto 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.

**Risk Factor Summary**

Our business is subject to numerous risks and uncertainties, including those risks discussed in further detail below. These risks include, among others, the following:

- We have incurred significant losses since our inception and expect to continue incurring substantial losses for the foreseeable future.
- If we are unable to access capital when needed and on acceptable terms, we may be forced to delay, reduce, or discontinue our product candidate development programs, commercialization efforts, or other operations.
- We currently have no source of product revenue and may never become profitable.
- Our future success is dependent on the regulatory approval and commercialization of our product candidates, and if we are unable to successfully develop and commercialize our product candidates, or experience any delay in doing so, our business could be materially harmed.
- Preliminary, initial, or interim results from clinical trials that we announce, present, or publish from time to time may change as more data and information become available (or are updated based upon audit, validation and verification procedures of the data/information commonly performed for clinical trials) that could result in material changes in the final trial results.
- Nonclinical and clinical development involves a lengthy, complex, and expensive process, which is uncertain and may not predict final outcomes, and our product candidates may not demonstrate safety or efficacy in later-stage trials or satisfy regulatory requirements. Further, clinical development in immunology and autoimmune diseases presents inherent challenges, such as disease heterogeneity, variable clinical course, and evolving regulatory expectations for clinically meaningful endpoints, any of which may delay or impair our ability to obtain regulatory approval.
- If we encounter difficulties enrolling or retaining patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.
- We face significant competition in an environment of rapid technological change, and our competitors may develop or obtain regulatory approval for products before us or develop products that are safer, less expensive, or more effective than our product candidates, which could impair our commercial prospects.
- Our estimates of market opportunity and forecasts of market growth for our product candidates may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business may not grow at similar rates, or at all.
- We are, have been, and may in the future become, involved in litigation that could result in significant costs, divert the attention of management and harm our business.
- Enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval and commercialize our product candidates, if and when approved, and may affect the prices we may charge for such product candidates, if and when approved.
- Disruptions in our supply chain or manufacturing, including reliance on single-source suppliers and the complexities of biologics manufacturing, could delay, prevent, or impair our development or commercialization efforts.
- If we are unable to obtain, maintain, or enforce adequate intellectual property protection, our competitive position could be harmed, and we rely heavily on certain in-licensed patents and other intellectual property rights in connection with our development of our product candidates and may be required to acquire or license additional patents or other intellectual property rights to continue to develop and commercialize our product candidates.
- With respect to budoprutug, we own two pending U.S. provisional patent applications, nine pending U.S. nonprovisional patent applications, three pending Patent Cooperation Treaty international patent applications (each, a PCT application), and eight pending ex-U.S. patent applications, and we have also exclusively licensed four issued U.S. patents and at least 45 ex-U.S. patents or patent applications under our license agreement (the CRH Agreement) with Cancer Research Technology Limited (CRH). With respect to CLYM116, we have one exclusively in-licensed PCT application under the Mabworks Agreement and co-own six pending U.S. provisional patent applications, one pending U.S. nonprovisional patent application, and one pending PCT application with Beijing Mabworks Biotech Co., Ltd. (Mabworks). We can provide no assurance that any of our current or future patent applications will result in issued patents. If we are unable to obtain, maintain and protect sufficient patent and other intellectual property rights for our product candidates and technology, or if the scope of patent and other intellectual property rights obtained is not sufficiently broad, we may not be able to compete effectively in our market.

- If our information technology systems or data, or those of third parties upon which we rely, such as contract research organizations (CROs), are or were compromised or interrupted, we could experience adverse consequences resulting from such compromise or interruption, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.
- We may not be able to attract or retain key personnel necessary to execute our business strategy.
- The trading price of our common stock has been and may continue to be volatile, and purchasers of our common stock could incur substantial losses.
- We have identified material weaknesses in our internal control over financial reporting; if we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future, or otherwise fail to maintain effective internal control over financial reporting, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.

**PART I - FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements (unaudited)**

**Climb Bio, Inc.**
**Condensed Consolidated Balance Sheets**
*(In thousands, except share and per share amounts)*
*(unaudited)*

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 39,731 | $ 35,685 |
| Short-term marketable securities | 165,692 | 65,395 |
| Prepaid expenses and other current assets | 4,726 | 4,769 |
| Total current assets | 210,149 | 105,849 |
| Long-term marketable securities | 22,202 | 59,572 |
| Operating lease right-of-use assets | 994 | 505 |
| Property and equipment, net | 1,327 | 288 |
| Other long-term assets | 1,892 | 1,530 |
| Total assets | $ 236,564 | $ 167,744 |
| **Liabilities and Stockholders' Equity (Deficit)** | | |
| Current liabilities: | | |
| Accounts payable | $ 1,058 | $ 2,269 |
| Accrued expenses and other current liabilities | 6,385 | 4,459 |
| Operating lease liabilities | 463 | 256 |
| Total current liabilities | 7,906 | 6,984 |
| Operating lease liabilities, net of current portion | 605 | 285 |
| Total liabilities | 8,511 | 7,269 |
| Commitments and contingencies (Note 6) | | |
| Stockholders' equity (deficit): | | |
| Common stock, $0.0001 par value; 250,000,000 shares authorized; 57,728,178 and 47,766,338 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively | 6 | 5 |
| Additional paid-in capital | 560,095 | 449,762 |
| Accumulated other comprehensive income (loss) | (528) | 435 |
| Accumulated deficit | (331,520) | (289,727) |
| Total stockholders' equity (deficit) | 228,053 | 160,475 |
| Total liabilities and stockholders' equity (deficit) | $ 236,564 | $ 167,744 |

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

**Climb Bio, Inc.**
**Condensed Consolidated Statements of Operations and Comprehensive Loss**
*(In thousands, except share and per share amounts)*
*(unaudited)*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Operating expenses: | | | | |
| Research and development | $ 11,044 | $ 9,073 | $ 30,131 | $ 32,975 |
| General and administrative | 5,849 | 5,819 | 17,332 | 15,612 |
| Total operating expenses | 16,893 | 14,892 | 47,463 | 48,587 |
| Loss from operations | (16,893) | (14,892) | (47,463) | (48,587) |
| Other income (expense): | | | | |
| Interest income | 2,325 | 2,037 | 5,694 | 6,497 |
| Foreign currency gain (loss) | (5) | (33) | (24) | (245) |
| Total other income (expense), net | 2,320 | 2,004 | 5,670 | 6,252 |
| Net loss | $ (14,573) | $ (12,888) | $ (41,793) | $ (42,335) |
| Net loss per share, basic and diluted | $ (0.18) | $ (0.19) | $ (0.56) | $ (0.63) |
| Weighted-average common shares outstanding, basic and diluted | 80,030,833 | 68,003,248 | 74,840,715 | 67,685,587 |
| | | | | |
| Comprehensive loss: | | | | |
| Net loss | $ (14,573) | $ (12,888) | $ (41,793) | $ (42,335) |
| Other comprehensive income: | | | | |
| Unrealized gain (loss) on marketable securities | (461) | 151 | (963) | 446 |
| Comprehensive loss | $ (15,034) | $ (12,737) | $ (42,756) | $ (41,889) |

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

**Climb Bio, Inc.**
**Condensed Consolidated Statements of Stockholders' Equity (Deficit)**
*(In thousands, except share amounts)*
*(unaudited)*

| | Common Stock | | Additional Paid-in Capital | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total Stockholders' Equity (Deficit) |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| **Balances at December 31, 2025** | 47,766,338 | $ 5 | $ 449,762 | $ 435 | $ (289,727) | $ 160,475 |
| Vesting of restricted stock units | 563 | — | — | — | — | — |
| Issuance of common stock upon exercise of stock options | 1,642 | — | 5 | — | — | 5 |
| Stock-based compensation expense | — | — | 1,605 | — | — | 1,605 |
| Unrealized gain (loss) on marketable securities | — | — | — | (278) | — | (278) |
| Net loss | — | — | — | — | (13,722) | (13,722) |
| **Balances at March 31, 2026** | 47,768,543 | $ 5 | $ 451,372 | $ 157 | $ (303,449) | $ 148,085 |
| Vesting of restricted stock units | 70,275 | — | — | — | — | — |
| Issuance of common stock upon exercise of stock options | 96,078 | — | 255 | — | — | 255 |
| Issuance of common stock and pre-funded warrants in private placement, net of issuance costs | 9,481,000 | 1 | 103,368 | — | — | 103,369 |
| Issuance of common stock under equity incentive plans related to ESPP | 20,359 | — | 79 | — | — | 79 |
| Stock-based compensation expense | — | — | 1,481 | — | — | 1,481 |
| Unrealized gain (loss) on marketable securities | — | — | — | (224) | — | (224) |
| Net loss | — | — | — | — | (13,498) | (13,498) |
| **Balances at June 30, 2026** | 57,436,255 | $ 6 | $ 556,555 | $ (67) | $ (316,947) | $ 239,547 |
| Issuance of common stock upon exercise of stock options | 291,923 | — | 1,504 | — | — | 1,504 |
| Stock-based compensation expense | — | — | 2,036 | — | — | 2,036 |
| Unrealized gain (loss) on marketable securities | — | — | — | (461) | — | (461) |
| Net loss | — | — | — | — | (14,573) | (14,573) |
| **Balances at September 30, 2026** | 57,728,178 | $ 6 | $ 560,095 | $ (528) | $ (331,520) | $ 228,053 |

| | Common Stock | | Additional Paid-in Capital | Accumulated Other Comprehensive Income (Loss) | Accumulated Deficit | Total Stockholders' Equity (Deficit) |
|---|---|---|---|---|---|---|
| | Shares | Amount | | | | |
| **Balances at December 31, 2024** | 67,255,434 | $ 7 | $ 441,727 | $ 23 | $ (229,876) | $ 211,881 |
| Vesting of restricted stock units | 320,333 | — | — | — | — | — |
| Stock-based compensation expense | — | — | 2,022 | — | — | 2,022 |
| Unrealized gain (loss) on marketable securities | — | — | — | 263 | — | 263 |
| Net loss | — | — | — | — | (20,781) | (20,781) |
| **Balances at March 31, 2025** | 67,575,767 | $ 7 | $ 443,749 | $ 286 | $ (250,657) | $ 193,385 |
| Vesting of restricted stock units | 188,333 | — | — | — | — | — |
| Stock-based compensation expense | — | — | 1,013 | — | — | 1,013 |
| Unrealized gain (loss) on marketable securities | — | — | — | 32 | — | 32 |
| Net loss | — | — | — | — | (8,666) | (8,666) |
| **Balances at June 30, 2025** | 67,764,100 | $ 7 | $ 444,762 | $ 318 | $ (259,323) | $ 185,764 |
| Vesting of restricted stock units | 420,335 | — | — | — | — | — |
| Stock-based compensation expense | — | — | 3,976 | — | — | 3,976 |
| Unrealized gain (loss) on marketable securities | — | — | — | 151 | — | 151 |
| Net loss | — | — | — | — | (12,888) | (12,888) |
| **Balances at September 30, 2025** | 68,184,435 | $ 7 | $ 448,738 | $ 469 | $ (272,211) | $ 177,003 |

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

**Climb Bio, Inc.**
**Condensed Consolidated Statements of Cash Flows**
*(In thousands)*
*(unaudited)*

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| **Cash flows from operating activities:** | | |
| Net loss | $ (41,793) | $ (42,335) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Stock-based compensation expense | 5,122 | 7,011 |
| Non-cash operating lease expense | 279 | 144 |
| Accretion of discounts on marketable securities, net | (1,152) | (1,763) |
| Depreciation and amortization expense | 266 | 67 |
| Unrealized foreign currency transaction loss | 7 | 23 |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses and other current assets | 608 | (110) |
| Other long-term assets | (219) | (1,514) |
| Accounts payable | (1,276) | (228) |
| Accrued expenses and other current liabilities | 1,474 | 152 |
| Operating lease liabilities | (241) | (168) |
| Net cash used in operating activities | (36,925) | (38,721) |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | (1,080) | (186) |
| Purchases of marketable securities | (164,250) | (103,082) |
| Proceeds from maturities and redemptions of marketable securities | 101,512 | 80,563 |
| Net cash used in investing activities | (63,818) | (22,705) |
| **Cash flows from financing activities:** | | |
| Proceeds from exercise of stock options and employee stock purchase plan purchases | 1,844 | — |
| Proceeds from the issuance of common stock and pre-funded warrants in private placement, net of issuance costs | 103,368 | — |
| Payment of deferred offering costs | (280) | — |
| Net cash provided by financing activities | 104,932 | — |
| Effect of exchange rate changes on cash and cash equivalents | — | — |
| Net change in cash, cash equivalents and restricted cash | 4,189 | (61,426) |
| Cash, cash equivalents and restricted cash at beginning of period | 35,685 | 87,229 |
| Cash, cash equivalents and restricted cash at end of period | $ 39,874 | $ 25,803 |
| **Supplemental disclosure of cash flow information:** | | |
| Cash paid for leases included in operating cash outflows | $ 195 | $ — |
| **Supplemental disclosure of noncash investing and financing activities:** | | |
| Purchases of property and equipment included in accounts payable and accrued expenses and other current liabilities | $ 225 | $ — |
| Right-of-use assets obtained in exchange for lease liabilities | $ 1,108 | $ 216 |
| Decrease in lease liabilities due to reduction in right-of-use assets from lease modifications | $ 340 | $ — |
| Deferred offering costs included in accounts payable and accrued expenses and other current liabilities | $ 285 | $ — |
| **Reconciliation of cash, cash equivalents and restricted cash:** | | |
| Cash and cash equivalents | $ 39,731 | $ 25,803 |
| Restricted cash (included in other non-current assets) | 143 | — |
| **Total cash, cash equivalents and restricted cash** | $ 39,874 | $ 25,803 |

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

**Climb Bio, Inc.**
**Notes to Condensed Consolidated Financial Statements**
*(unaudited)*

## 1. Nature of Operations and Basis of Presentation

### *Organization*

Climb Bio, Inc. (the Company) is a clinical-stage biotechnology company developing therapeutics for patients with immune-mediated diseases. The Company's pipeline includes budoprutug and CLYM116. Budoprutug is an anti-CD19 monoclonal antibody designed to treat a broad range of B-cell mediated diseases. The Company is currently developing budoprutug for the treatment of primary membranous nephropathy, immune thrombocytopenia, and systemic lupus erythematosus. CLYM116 is an anti-APRIL (A PRoliferation-Inducing Ligand) monoclonal antibody currently being developed for the treatment of immunoglobulin A nephropathy. The Company was incorporated on October 18, 2018 in Delaware, and its corporate headquarters is in Massachusetts.

### *Risks and Uncertainties*

The Company is subject to risks and uncertainties common to early-stage companies in the biotechnology industry, including, but not limited to, development by competitors of new technological innovations, protection of proprietary technology, dependence on key personnel, reliance on single-source suppliers and manufacturers, availability of raw materials, patentability of the Company's product candidates and processes and clinical efficacy and safety of the Company's product candidates, compliance with government regulations and the need to obtain additional financing to fund operations. Budoprutug, CLYM116, or any product candidate the Company may develop will require significant additional research and development efforts, including extensive nonclinical studies, clinical trials, and regulatory approval, prior to commercialization. These efforts will require significant amounts of additional capital, adequate personnel infrastructure and extensive compliance and reporting.

There can be no assurance that any future research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained or maintained, that any product candidate developed will obtain necessary government regulatory approval or that any approved products will be commercially viable. Even if any future product development efforts are successful, it is uncertain when, if ever, the Company will generate revenue from product sales. The Company operates in an environment of rapid technological change and substantial competition from other pharmaceutical and biotechnology companies. In addition, the Company is dependent upon the services of its employees, consultants and other third parties.

### *Basis of Presentation and Principles of Consolidation*

The accompanying unaudited interim condensed consolidated financial statements reflect the operations of the Company and its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated in consolidation. The accompanying unaudited interim condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP) and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (SEC) for Quarterly Reports on Form 10-Q. Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification (ASC) and Accounting Standards Update (ASU) of the Financial Accounting Standards Board (FASB).

The accompanying unaudited interim condensed consolidated financial statements as of September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025, are unaudited. The consolidated balance sheet as of December 31, 2025 was derived from the audited financial statements as of and for the year ended December 31, 2025, but does not include all disclosures required by U.S. GAAP. The unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with the audited annual financial statements as of and for the year ended December 31, 2025, and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair statement of the Company's financial position as of September 30, 2026, the condensed results of its operations for the three and nine months ended September 30, 2026 and 2025, and its cash flows for the nine months ended September 30, 2026 and 2025. The financial data and other information disclosed in these notes related to the three and nine months ended September 30, 2026 and 2025 are also unaudited. The condensed results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year ending December 31, 2026 or any other period. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements included in the Company's Annual Report on Form 10-K filed with the SEC on March 5, 2026 (Annual Report).

### *Liquidity*

Since inception, the Company has experienced recurring losses from operations and generated negative cash flows from operations. During the three and nine months ended September 30, 2026, the Company incurred a net loss of $14.6 million and $41.8 million, respectively, and for the nine months ended September 30, 2026, the Company had negative operating cash flows of $36.9 million. The Company has an accumulated deficit of $331.5 million as of September 30, 2026 and expects to incur additional losses from operations in the future until such time, if ever, that the Company can generate significant sales of its product candidates currently in development.

Since inception, the Company has funded its operations with proceeds from the sale and issuance of shares of its redeemable convertible preferred stock, its initial public offering, and the sale and issuance of shares in private placements of shares of the Company's common stock and pre-funded warrants to certain institutional investors. Cash, cash equivalents and marketable securities were $227.6 million as of September 30, 2026. Based on its current operating plan, the Company expects this balance will be sufficient to meet its projected operating requirements for at least the next twelve months from the filing date of these unaudited condensed consolidated financial statements. The Company anticipates that it will need to raise substantial financing in the future to fund its operations. The Company may finance future cash needs through the sale of equity, debt financings or other capital sources, which could include income from collaborations, strategic partnerships or other strategic arrangements. There are no assurances that the Company will be able to raise sufficient amounts of funding in the future on acceptable terms, or at all.

**2. Summary of Significant Accounting Policies**

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

For additional information related to the Company's other significant accounting policies, refer to Note 2, *Summary of Significant Accounting Policies*, to the Company's audited consolidated financial statements included in the Company's Annual Report.

***Use of Estimates***

The preparation of unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Key management estimates include those related to the accrual of research and development expenses and the valuation of stock-based awards. The Company evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors and adjusts those estimates and assumptions when facts and circumstances dictate.

***Restricted Cash***

In connection with the Company amending its lease agreement for its headquarters in Wellesley Hills, MA, in May 2026, the Company was required to provide a security deposit in the form of a letter of credit. The Company has classified this restricted cash in other long-term assets within its condensed consolidated balance sheets as of September 30, 2026. There was no restricted cash as of December 31, 2025.

***Recently Issued Accounting Pronouncements Not Yet Adopted***

In December 2023, the FASB issued ASU No. 2023-09 (ASU 2023-09), *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires, among other things, the following for public business entities: (i) enhanced disclosures of specific categories of reconciling items included in the rate reconciliation, as well as additional information for any of these items meeting certain qualitative and quantitative thresholds; (ii) disclosure of the nature, effect and underlying causes of each individual reconciling item disclosed in the rate reconciliation and the judgment used in categorizing them if not otherwise evident; and (iii) enhanced disclosures for income taxes paid, which includes federal, state, and foreign taxes, as well as for individual jurisdictions over a certain quantitative threshold. The amendments in ASU 2023-09 eliminate the requirement to disclose the nature and estimate of the range of the reasonably possible change in unrecognized tax benefits for the 12 months after the balance sheet date. The effective date of this update for non-public companies is for fiscal years beginning after December 15, 2025; early adoption is permitted. As the Company qualified for emerging growth company status when ASU 2023-09 was effective for public companies, the Company has elected to adopt this standard as of the effective date for a non-public company. The Company expects ASU 2023-09 to require additional disclosures in the notes to its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03 (ASU 2024-03), *Disaggregation of Income Statement Expenses*, which requires additional disclosures about specific types of expenses included in the expense captions presented on the face of the income statement, as well as disclosures about selling expenses. The provisions of ASU 2024-03 are effective for public business entities for fiscal years beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The guidance is to be applied prospectively, with the option for retrospective application. The Company is currently evaluating the impact of ASU 2024-03 on its consolidated financial statements.

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its consolidated financial statements.

**3. Marketable Securities**

Marketable securities consisted of available-for-sale securities as follows (in thousands):

| | As of September 30, 2026 | | | |
|---|---|---|---|---|
| | Amortized Cost | Unrealized Gain | Unrealized Loss | Estimated Fair Value |
| Short-term marketable securities: | | | | |
| Corporate bonds | $ 52,160 | $ 9 | $ (119) | $ 52,050 |
| U.S. Treasury securities | 106,889 | 4 | (216) | 106,677 |
| U.S. government agency debt securities | 6,999 | — | (34) | 6,965 |
| Total short-term marketable securities | $ 166,048 | $ 13 | $ (369) | $ 165,692 |
| Long-term marketable securities: | | | | |
| Corporate bonds | $ 9,891 | $ — | $ (92) | $ 9,799 |
| U.S. Treasury securities | 12,483 | — | (80) | 12,403 |
| U.S. government agency debt securities | — | — | — | — |
| Total long-term marketable securities | $ 22,374 | $ — | $ (172) | $ 22,202 |

| | As of December 31, 2025 | | | |
|---|---|---|---|---|
| | Amortized Cost | Unrealized Gain | Unrealized Loss | Estimated Fair Value |
| Short-term marketable securities: | | | | |
| Corporate bonds | $ 31,874 | $ 102 | $ — | $ 31,976 |
| U.S. Treasury securities | 33,296 | 123 | — | 33,419 |
| Total short-term marketable securities | $ 65,170 | $ 225 | $ — | $ 65,395 |
| Long-term marketable securities: | | | | |
| Corporate bonds | $ 50,341 | $ 177 | $ — | $ 50,518 |
| U.S. Treasury securities | 6,022 | 32 | — | 6,054 |
| U.S. government agency debt securities | 2,999 | 1 | — | 3,000 |
| Total long-term marketable securities | $ 59,362 | $ 210 | $ — | $ 59,572 |

Realized gains and losses recognized on the sale, maturity or redemption of marketable securities were not material for the three and nine months ended September 30, 2026 and 2025. To date, the Company has not recognized any allowances for credit losses or impairments in relation to its available-for-sale marketable securities as these marketable securities are comprised of high credit quality, investment grade securities that the Company does not intend or expect to be required to sell prior to their anticipated recovery, and any decline in fair value of these securities is attributable to factors other than credit losses. All marketable securities with unrealized losses presented in the previous tables have been in a continuous unrealized loss position for less than 12 months or the loss is not material. The Company determined credit losses related to marketable securities were immaterial for the three and nine months ended September 30, 2026 and 2025.

As of September 30, 2026, the Company’s long-term marketable securities have contractual maturity dates between one and two years.

## 4. Fair Value Measurements

The following tables present information about the Company's financial assets measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

| | Fair Value Measurements at September 30, 2026 Using: | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 35,887 | $ — | $ — | $ 35,887 |
| Marketable securities: | | | | |
| U.S. Treasury securities | 119,080 | — | — | 119,080 |
| Corporate bonds | — | 61,849 | — | 61,849 |
| U.S. government agency debt securities | — | 6,965 | — | 6,965 |
| Total marketable securities | 119,080 | 68,814 | — | 187,894 |
| Total assets | $ 154,967 | $ 68,814 | $ — | $ 223,781 |

| | Fair Value Measurements at December 31, 2025 Using: | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Cash equivalents: | | | | |
| Money market funds | $ 35,320 | $ — | $ — | $ 35,320 |
| Marketable securities: | | | | |
| U.S. Treasury securities | 39,473 | — | — | 39,473 |
| Corporate bonds | — | 82,494 | — | 82,494 |
| U.S. government agency debt securities | — | 3,000 | — | 3,000 |
| Total marketable securities | 39,473 | 85,494 | — | 124,967 |
| Total assets | $ 74,793 | $ 85,494 | $ — | $ 160,287 |

Cash equivalents and U.S. Treasury securities were valued by the Company based on quoted market prices for identical securities, which represent a Level 1 measurement within the fair value hierarchy. There have been no changes in valuation techniques, inputs utilized or transfers between fair value measurement levels in the periods presented. Corporate bonds and agency securities were valued by the Company using quoted prices in active markets for similar securities, which represent a Level 2 measurement within the fair value hierarchy. The carrying amounts reflected in the Company's condensed consolidated balance sheets for cash and cash equivalents, prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities approximate fair value due to the short-term nature of these assets and liabilities.

## 5. Accrued Expenses and Other Current Liabilities

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

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Accrued external research and development expenses | $ 2,519 | $ 1,816 |
| Accrued payroll and related expenses | 2,802 | 1,891 |
| Accrued professional fees | 675 | 693 |
| Other accrued expenses and current liabilities | 389 | 59 |
| Total accrued expenses and other current liabilities | $ 6,385 | $ 4,459 |

## 6. Commitments and Contingencies

***Leases***

The Company leases office space for their headquarters under a non-cancelable operating lease in Wellesley, Massachusetts. In May 2026, the Company entered into the Second Amendment of Lease (Second Amendment) which provided for an extended lease term of an additional three years and additional square footage. The new annual base rent is approximately $0.6 million per year and there is no option to extend the lease after the three-year term. Accordingly, the Company recorded an increase to operating lease right-of-use

assets and operating lease liabilities of $1.1 million, net of the tenant improvement allowance. In addition, the Company recognized a modification to the existing lease agreement due to the change in the term of lease as a result of the Second Amendment, resulting in a decrease of the operating lease liabilities and corresponding right-of-use asset of approximately $0.3 million. There have been no other significant changes to the Company's lease agreements during the three and nine months ended September 30, 2026. For additional information on the Company's operating leases, see Note 7, *Leases*, of the consolidated financial statements in the Annual Report.

***License Agreements (Budoprutug)***

On June 27, 2024, the Company completed its acquisition (the Acquisition) of Tenet Medicines, Inc. (Tenet). As a result of the Acquisition, the following legacy Tenet agreements effectively became agreements of the Company.

*Acelyrin Asset Purchase Agreement*

On January 11, 2024, Tenet entered into an asset purchase agreement (the Asset Purchase Agreement) with Acelyrin, Inc. (Acelyrin) and WH2, LLC, which was subsequently transferred to the Company by operation of law upon the closing of the Acquisition, providing for the acquisition of certain assets of Acelyrin related to budoprutug, including certain assigned contracts. Under these assigned contracts, the Company received worldwide license (with the right to sublicense) rights to develop, manufacture, use and commercialize budoprutug for any non-oncology indication, and assumed certain liabilities of Acelyrin.

In addition, the Company inherited the rights and obligations, including financial obligations, under the CRH Agreement (as defined below) and the ProBioGen Agreement (as defined below).

In consideration for the license and other rights the Company received under the Asset Purchase Agreement with respect to Products (as such term is defined in the Asset Purchase Agreement), the Company is obligated to (i) make total payments of up to $157.5 million to Acelyrin upon the achievement of various development, regulatory and commercial milestones, (ii) pay royalties in the single-digit percentages, subject to specified reductions, to Acelyrin on worldwide net sales in a given calendar year, and (iii) make non-refundable and non-creditable payments to Acelyrin on sublicense income with rates ranging from the low single digit to mid teen percent depending on the stage of development of the most advanced Product at the time of such sublicense.

On December 31, 2025, the Company filed a complaint in Delaware Superior Court against Alumis Inc. and its wholly owned subsidiary, Acelyrin, relating to a dispute concerning potential milestone payments owed under the Asset Purchase Agreement as further described below under Legal Proceedings.

The Company records expense related to milestone payments when achievement of the milestone is assessed as probable. During the three and nine months ended September 30, 2026 and 2025, the Company did not recognize any research and development expense related to milestone payments under the Asset Purchase Agreement.

For additional information related to the Asset Purchase Agreement, please read Note 8, *Commitments and Contingencies,* to the Company's audited consolidated financial statements included in the Annual Report.

*CRH Agreement*

In connection with the Asset Purchase Agreement, in January 2024 Tenet was assigned a license agreement with Cancer Research Technology Limited (CRH) and, in connection with such assignment, Tenet entered into an amended and restated license agreement with CRH (the CRH Agreement) which was subsequently transferred to the Company by operation of law upon the closing of the Acquisition. The CRH Agreement granted the Company a worldwide exclusive license (other than specified patent rights and materials, which are licensed to the Company on a non-exclusive basis) to research, develop, test, manufacture or sell certain licensed products related to budoprutug, for all therapeutic uses except for oncology indications. The Company is permitted to grant a sublicense under these licenses with CRH's prior written consent.

The Company is obligated to pay CRH a mid-five figure digit fee on each anniversary of the effective date and up to an aggregate of £106.8 million ($141.9 million as of September 30, 2026) upon the achievement of specified development, regulatory, commercial and sales milestone events, including: (i) payments of up to mid-six figure digits in pounds sterling for certain development milestones, (ii) payments of up to low-eight figures in pounds sterling per indication (for up to three indications) for certain regulatory and commercial milestones and (iii) payments up to mid-eight figures in pounds sterling for certain sales milestones. The Company is also obligated to pay tiered royalties ranging from a rate in the mid-single digit to high-single digit percentage on net sales. The Company is also responsible for a sublicensing revenue payment ranging from a rate in the mid-single digit to mid-double digits for any sublicense revenue.

The Company records expense related to milestone payments when achievement of the milestone is assessed as probable. During the three and nine months ended September 30, 2026, the Company did not recognize any research and development expense related to the milestones. During the three and nine months ended September 30, 2025, the Company recognized $0.3 million of research and development expense related to a milestone.

For additional information related to the CRH Agreement, please read Note 8, *Commitments and Contingencies,* to the Company's audited consolidated financial statements included in the Annual Report.

*ProBioGen Agreement*

Under the Asset Purchase Agreement, Tenet was assigned a cell line development, manufacturing services and license agreement (the ProBioGen Agreement) originally entered into by ValenzaBio, Inc. and ProBioGen AG (ProBioGen) in February 2021, which was subsequently transferred to the Company by operation of law upon the closing of the Acquisition. The ProBioGen Agreement granted the Company a non-exclusive license to use cell lines in which ProBioGen's proprietary technology is applied, to research, develop, manufacture, use, sell, offer to sell, import or export budoprutug. This license includes a non-exclusive sublicense by ProBioGen of certain third-party patent rights, limited to the use of budoprutug.

The Company is obligated to (i) make payments of up to €10.0 million ($11.4 million as of September 30, 2026) upon the achievement of certain development, manufacturing and commercial milestones, including the start of a Phase 2 clinical trial for budoprutug, and (ii) make milestone payments of up to €7.0 million ($8.0 million as of September 30, 2026) upon the achievement of certain sales milestones. If the Company elects to contract ProBioGen to perform certain manufacturing services for budoprutug, the milestone payments would be reduced by €1.1 million ($1.2 million as of September 30, 2026).

The Company records expense related to milestone payments when achievement of the milestone is assessed as probable. During the three and nine months ended September 30, 2026, the Company did not recognize any research and development expense related to the milestones. During the three and nine months ended September 30, 2025, the Company recognized none and $0.8 million of research and development expense related to a milestone, respectively.

For additional information related to the ProBioGen Agreement, please read Note 8, *Commitments and Contingencies,* to the Company's audited consolidated financial statements included in the Annual Report.

***License Agreement (CLYM116)***

On January 8, 2025, the Company entered into the Technology Transfer and Exclusive License Agreement (Mabworks Agreement) pursuant to which Mabworks granted to the Company (i) an exclusive (even as to Mabworks and its affiliates), sublicensable right and license under certain patent rights and related know-how (the Licensed Intellectual Property) to develop, manufacture and commercialize Mabworks' proprietary antibodies associated with Mabworks' proprietary antibody program, CLYM116 and products containing CLYM116 (Licensed Products) outside of mainland China, Hong Kong, Macau, and Taiwan (Greater China), (ii) a non-exclusive, sublicensable right and license under the Licensed Intellectual Property to manufacture CLYM116 and Licensed Products in Greater China (the Licensed Territory) and (iii) a non-exclusive, sublicensable right and license under the Licensed Intellectual Property to develop CLYM116 and Licensed Products in Greater China in connection with certain global clinical studies (as described below).

Under the terms of the Mabworks Agreement, the Company paid to Mabworks a $9.0 million upfront payment, and the Company is obligated to pay a total of up to $30.0 million upon the achievement of certain development and regulatory milestones pertaining to the first indication for a Licensed Product, additional lower amounts upon the achievement of certain development and regulatory milestones pertaining to up to two additional indications for a Licensed Product and a total of up to $832.0 million upon the achievement of certain commercial milestones for all Licensed Products. In addition, the Company is obligated to pay Mabworks tiered royalties in the low-to mid-single-digit percentages on aggregate annual net sales of all Licensed Products in the Licensed Territory.

The Company recorded the upfront payment of $9.0 million as research and development expenses in the first quarter of 2025 in the unaudited condensed consolidated statements of operations and comprehensive loss. The Company records expense related to milestone payments when achievement of the milestone is assessed as probable. During the three and nine months ended September 30, 2026 and 2025, the Company did not recognize any research and development expense related to a milestone.

On July 14, 2026, the Company and Mabworks entered into an Amended and Restated Technology Transfer and Exclusive License Agreement (the A&R Mabworks Agreement), which amended and restated the Mabworks Agreement in its entirety. The A&R Mabworks Agreement establishes a joint development committee and a framework under which the parties may conduct joint development activities for CLYM116, including clinical trials, pursuant to a collaboration development plan, with the costs of each such activity shared on terms agreed by the parties, and provides that technology jointly developed by the parties in the course of such activities is jointly owned. The upfront payment, milestone, royalty and sublicense payment provisions of the Mabworks Agreement were not changed, and no consideration was paid or became payable in connection with the amendment and restatement. Accordingly, the Company did not recognize any amounts in connection with the A&R Mabworks Agreement. Unless the context requires otherwise, references to the Mabworks Agreement include the A&R Mabworks Agreement.

For additional information related to the Mabworks Agreement, please read Note 8, *Commitments and Contingencies,* to the Company's audited consolidated financial statements included in the Annual Report.

***Legal Proceedings***

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of its business activities. The Company records accruals for estimated losses when available information indicates a loss is probable and reasonably estimable. Significant judgment is required to determine both probability and the estimated amount. The Company expenses the costs related to its legal proceedings as they are incurred.

On December 31, 2025, the Company filed a complaint in Delaware Superior Court (the Court) against Alumis Inc. and its wholly owned subsidiary, Acelyrin, relating to a dispute concerning potential milestone payments owed under the Asset Purchase Agreement seeking a declaratory judgment that the Company's budoprutug drug candidate is not a Product under the Asset Purchase Agreement, and that the Company does not owe a milestone payment sought by Alumis in connection with its development of budoprutug. On August 4, 2026, the Court held a hearing on the Company's motion for summary judgment and Alumis' motion to dismiss. A ruling on the motions is pending. The Company is unable to predict the timeline for resolution or the outcome of this matter.

As of the date of these unaudited condensed consolidated financial statements, the Company is not party to any other material legal matters or claims.

***Indemnification***

In the ordinary course of business, the Company enters into agreements that may include indemnification provisions. Pursuant to such agreements, the Company may indemnify, hold harmless, and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third-party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. In addition, the Company has entered into indemnification agreements with members of its board of directors and executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. To date, the Company has not incurred any material costs as a result of such indemnification provisions. The Company is not currently aware of any indemnification claims and has not accrued any liabilities related to such obligations in its unaudited condensed consolidated financial statements as of September 30, 2026.

**7. Related Party Transactions**

***RA Capital Management, LP (RA Capital Management)***

In December 2025, the Company entered into an exchange agreement (the Exchange Agreement) with RA Capital Management and an entity affiliated with RA Capital Management (the Exchanging Holder), pursuant to which the Exchanging Holder exchanged an aggregate of 20,440,000 shares of the Company's common stock, beneficially owned by the Exchanging Holder for pre-funded warrants to purchase the same number of shares of the Company's common stock (subject to adjustment in the event of stock splits, recapitalizations and other similar events affecting the Company's common stock), with an exercise price of $0.0001 per share. The pre-funded warrants are exercisable at any time and do not expire. The Exchange Agreement did not have any cash impact, and the shares of common stock exchanged for the pre-funded warrants were retired.

In April 2026, the Company entered into a securities purchase agreement (the Securities Purchase Agreement) with certain institutional accredited investors, including an affiliate of RA Capital Management. Pursuant to the Securities Purchase Agreement, the Company agreed to issue and sell to an affiliate of RA Capital Management, in a private placement, pre-funded warrants to purchase 2,106,000 shares of the Company's common stock at a price of $9.4999 per pre-funded warrant. The Company received approximately $20.0 million from an affiliate of RA Capital Management related to sale of the pre-funded warrants. Each pre-funded warrant issued in connection with the Securities Purchase Agreement has an exercise price of $0.0001 per share, is exercisable at any time until the pre-funded warrants are exercised in full and does not expire. Refer to Note 10, *Stockholders' Equity (Deficit),* for additional details on the Securities Purchase Agreement.

RA Capital Management is not entitled to exercise any portion of the December 2025 or April 2026 pre-funded warrants if, upon giving effect or immediately prior to such exercise, such exercise would result in the aggregate number of shares of common stock beneficially owned by RA Capital Management and their respective affiliates, collectively, to exceed 33.0% of the number of shares of common stock issued and outstanding immediately after giving effect to such exercise, as such percentage ownership is determined in accordance with the terms of the pre-funded warrant. The Exchanging Holder may increase or decrease such percentage to any other percentage not in excess of 33.0%; provided that any such increase will not be effective until the 61st day after notice from the Exchanging Holder is delivered to the Company. In addition, following the date of the Exchange Agreement, RA Capital Management may exchange additional shares of common stock beneficially owned by it or its affiliates for pre-funded warrants, subject to certain terms and conditions, including the Company's written consent.

The Company determined that the pre-funded warrants from both the December 2025 Exchange Agreement and the April 2026 Securities Purchase Agreement did not meet the classification of a liability under ASC 480, *Distinguishing Liabilities from Equity*.

The Company concluded that the pre-funded warrants should be classified as equity based on an analysis performed under ASC 815-40, *Contracts in an Entity's Own Equity*.

**8. Stock-Based Compensation**

***2019 and 2021 Equity Incentive Plans***

The Company has outstanding awards under its 2019 Equity Incentive Plan (the 2019 Plan), but is no longer granting awards under this plan. The Company's 2021 Equity Incentive Plan (the 2021 Plan and, together with the 2019 Plan, the Plans) provides for the grant of incentive stock options, non-statutory stock options, restricted stock awards, restricted stock units (RSUs), stock appreciation rights and other stock-based awards to the Company's employees, officers, directors and consultants. Any shares that are returned under the 2019 Plan as a result of cancellation or forfeiture become available for grant under the 2021 Plan. Further, the number of shares of common stock reserved for issuance under the 2021 Plan automatically increases on January 1 of each year continuing through and including January 1, 2031, by 5% of the total number of shares of common stock outstanding on December 31 of the immediately preceding calendar year, or a lesser number of shares determined by the Company's board of directors. The number of shares reserved for issuance under the 2021 Plan was increased by 2,388,316 shares effective as of January 1, 2026 in accordance with the provisions of the 2021 Plan described above. On June 5, 2026, the Company's stockholders approved an amendment to the 2021 Plan to amend the provision providing for an automatic share pool increase to include pre-funded warrants in the calculation of the annual increase. As a result of the amendment, the next automatic annual share pool increase will come into effect on January 1, 2027 and it will be equal to the lesser of (I) 5% of the sum of (1) the number of outstanding shares of common stock and (2) the number of shares of the Company's common stock subject to pre-funded warrants, each as of the immediately preceding December 31, and (II) an amount determined by the board of directors. As of September 30, 2026, 3,096,930 shares remained available for future grant under the 2021 Plan.

Under the terms of the 2021 Plan, options are granted at an exercise price no less than fair value of the Company's common stock on the grant date, except in certain cases related to significant corporate transactions. Options expire no later than ten years from the date of the grant.

***2025 Inducement Plan***

In March 2025, the Company's board of directors adopted the 2025 Inducement Plan (the Inducement Plan), pursuant to which the Company may grant nonstatutory stock options, stock appreciation rights, restricted stock, RSUs and other stock-based awards with respect to an aggregate of 1,250,000 shares of its common stock. Awards under the Inducement Plan may only be granted to new employees who were not previously an employee or director of the Company or are commencing employment with the Company following a bona fide period of non-employment, in either case, as an inducement material to the individual's entering into employment with the Company in accordance with the requirements of Nasdaq Stock Market Rule 5635(c)(4). On September 30, 2025, the Company's board of directors approved an amendment to the Inducement Plan to increase the number of shares of common stock authorized for issuance under the Inducement Plan by 750,000 shares. As of September 30, 2026, 145,834 shares were available for issuance under the Inducement Plan.

***Employee Stock Purchase Plan***

The Company's 2021 Employee Stock Purchase Plan (the ESPP) allows employees, including executive officers, to contribute up to 15% of their earnings, subject to certain limitations, for the purchase of the Company's common stock at a price per share equal to the lower of (a) 85% of the fair market value of a share of common stock on the first day of the offering period, or (b) 85% of the fair market value of a share of common stock on the last day of the offering period. The number of shares of common stock reserved for issuance under the ESPP automatically increases on January 1 of each calendar year through and including January 1, 2031, by the lesser of (1) 1% of the total number of shares of the Company's common stock outstanding on December 31 of the preceding calendar year or (2) a number of shares determined by the Company's board of directors. Shares subject to purchase rights granted under the ESPP that terminate without having been exercised in full will not reduce the number of shares available for issuance under the ESPP. The number of shares reserved for issuance under the ESPP was increased by 477,663 shares effective as of January 1, 2026 in accordance with the provisions of the ESPP described above. As of September 30, 2026, 20,359 shares had been purchased under the ESPP and 2,194,083 shares remained available for issuance under the ESPP.

***Stock Option Valuation***

The fair value of stock option grants is estimated on the date of grant using the Black Scholes option pricing model. Volatility is estimated based on the historical and implied volatilities of comparable publicly traded companies as the Company does not have sufficient history of trading in its common stock. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The relevant data used to determine the fair value of the stock options during the three and nine months ended September 30, 2026 and 2025 is as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Expected term (in years) | 6.1 | 6.1 | 6.0 | 6.0 |
| Expected volatility | 87.7% | 101.7% | 97.0% | 104.2% |
| Risk-free interest rate | 4.5% | 3.9% | 4.0% | 4.4% |
| Expected dividend yield | — | — | — | — |

***Stock Option Activity***

Outstanding stock options consist of option grants with service-based vesting conditions, typically 25% on the first anniversary of the grant date with the remainder vesting monthly over the following three years. The activity for the stock options is as follows:

| | Number of Shares | Weighted Average Exercise Price | Weighted Average Contractual Term (in years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding as of December 31, 2025 | 6,427,777 | $ 2.81 | 9.05 | $ 11,727 |
| Options granted | 3,090,574 | 6.34 | | |
| Options exercised | (389,643) | 4.53 | | |
| Options forfeited or expired | (820,629) | 4.31 | | |
| Outstanding as of September 30, 2026 | 8,308,079 | $ 3.89 | 8.79 | $ 63,745 |
| Vested and expected to vest as of September 30, 2026 | 8,308,079 | $ 3.89 | 8.79 | $ 63,745 |
| Options exercisable as of September 30, 2026 | 1,903,357 | $ 2.97 | 8.18 | $ 16,191 |

The aggregate intrinsic value disclosed in the above table is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had strike prices lower than the fair value of the Company's common stock.

The weighted-average grant date fair value of stock options granted during the nine months ended September 30, 2026 and 2025 was $4.96 and $1.35 per share, respectively.

***Restricted Stock Units***

The Company has outstanding RSUs with service-based vesting conditions and RSUs with performance-based vesting conditions. The activity for RSUs is as follows:

| | Shares | Weighted Average Grant Date Fair Value |
|---|---|---|
| Unvested at December 31, 2025 | 207,897 | $ 7.50 |
| Granted | 441 | 5.67 |
| Vested | (70,838) | 7.44 |
| Unvested at September 30, 2026 | 137,500 | $ 7.53 |

***Stock-Based Compensation***

The following table sets forth stock-based compensation expense included in the Company's unaudited condensed consolidated statements of operations and comprehensive loss (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Research and development expenses | $ 492 | $ 1,801 | $ 1,397 | $ 3,228 |
| General and administrative expenses | 1,544 | 2,175 | 3,725 | 3,783 |
| Total stock-based compensation expense | $ 2,036 | $ 3,976 | $ 5,122 | $ 7,011 |

As of September 30, 2026, there was $19.4 million of total unrecognized compensation cost related to unvested awards expected to vest, which is expected to be recognized over a weighted average period of 2.8 years.

**9. Net Loss Per Share**

The Company has generated a net loss in all periods presented, therefore the basic and diluted net loss per share are the same as the

inclusion of the potentially dilutive securities would be anti-dilutive. Basic and diluted net loss per share are computed using the weighted-average number of shares of common stock outstanding for the period. The Company issued pre-funded warrants in December 2025 and April 2026. The shares of common stock underlying the pre-funded warrants are included in the calculation of basic and diluted net loss per share because they are considered shares issuable for little or no consideration under ASC 260, *Earnings Per Share*. Refer to Note 7, *Related Party Transactions*, for additional details on the December 2025 and April 2026 pre-funded warrants issuance. The following table shows the computation of basic and diluted net loss per share (in thousands, except share and per share data):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Numerator: | | | | |
| Net loss | $ (14,573) | $ (12,888) | $ (41,793) | $ (42,335) |
| Denominator: | | | | |
| Weighted-average common shares outstanding, basic and diluted | 57,484,833 | 68,003,248 | 53,205,001 | 67,685,587 |
| Weighted-average common shares outstanding under the pre-funded warrants, basic and diluted | 22,546,000 | — | 21,635,714 | — |
| Weighted-average common shares outstanding, basic and diluted | 80,030,833 | 68,003,248 | 74,840,715 | 67,685,587 |
| Net loss per share, basic and diluted | $ (0.18) | $ (0.19) | $ (0.56) | $ (0.63) |

The following table sets forth the outstanding potentially dilutive securities, presented as of period-end, that have been excluded in the calculation of diluted net loss per share for the periods presented because to do so would be anti-dilutive:

| | September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Stock options to purchase common stock | 8,308,079 | 5,070,037 |
| Unvested restricted stock awards and units | 137,500 | 207,375 |
| Shares of common stock issuable under Employee Stock Purchase Plan | 8,740 | — |
| Total potentially dilutive shares | 8,454,319 | 5,277,412 |

**10. Stockholders' Equity (Deficit)**

***Preferred Stock***

Pursuant to the terms of the Company's amended and restated certificate of incorporation, the Company has 10,000,000 authorized shares of preferred stock, par value $0.0001 per share, all of which shares of preferred stock are undesignated. The Company's Board of Directors is expressly authorized, without further action by the Company's stockholders, to issue such shares of preferred stock from time to time on terms it may determine, to divide shares of preferred stock into one or more series and to fix the voting powers, designations, preferences and restrictions of preferred stock. There were no issued and outstanding shares of preferred stock as of September 30, 2026 and December 31, 2025.

***Common Stock***

Pursuant to the terms of the Company's amended and restated certificate of incorporation, the Company has 250,000,000 authorized shares of common stock, par value $0.0001 per share. There were 57,728,178 and 47,766,338 shares of common stock issued and outstanding as of September 30, 2026 and December 31, 2025, respectively.

***2026 Private Placement***

In April 2026, the Company entered into the Securities Purchase Agreement with certain institutional accredited investors (the Investors), including an affiliate of RA Capital Management, pursuant to which the Company agreed to issue and sell to the Investors in a private placement an aggregate of 9,481,000 shares of the Company's common stock, par value $0.0001 per share (the Shares), at a price of $9.50 per Share and, to RA Capital Management in lieu of Shares, pre-funded warrants to purchase 2,106,000 shares of the Company's common stock (the Pre-Funded Warrants) at a price of $9.4999 per Pre-Funded Warrant (the 2026 Private Placement).

The 2026 Private Placement closed in April 2026, and the Company received aggregate net proceeds of approximately $103.4 million, after deducting placement agent fees and offering expenses. The Company has granted the Investors indemnification rights with respect to its representations, warranties, covenants and agreements under the Securities Purchase Agreement.

***ATM Program***

In March 2025, the Company entered into an Equity Distribution Agreement (the Distribution Agreement) with Oppenheimer & Co. Inc., as sales agent (Oppenheimer), pursuant to which the Company may offer and sell shares of its common stock from time to time through Oppenheimer having an aggregate offering price of up to $22.4 million in an at-the-market offering. The Company terminated the Distribution Agreement effective as of June 11, 2026. The Company did not incur any termination penalties as a result of the termination of the Distribution Agreement. As of the effective date of the termination of the Distribution Agreement, the Company had sold no shares of common stock pursuant to the Distribution Agreement.

In June 2026, the Company entered into an Open Market Sale Agreement℠ with Jefferies LLC, as sales agent, to provide for the issuance and sale of up to $100.0 million of the Company's common stock from time-to-time in "at-the-market" offerings (the ATM Program). As of September 30, 2026, no sales had been made pursuant to the ATM Program. See note 12, *Subsequent Events.*

**11. Segments**

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker (the CODM). The Company views its operations and manages its business as one operating and reportable segment, focused on developing therapeutics for patients with immune-mediated diseases. The Company's CODM is its chief executive officer.

Segment profit or loss is measured as net loss presented on the unaudited condensed consolidated statements of operations and comprehensive loss. For the purpose of evaluating segment performance and allocating resources, the CODM reviews the Company's financial information on a consolidated basis together with certain operating metrics and evaluates net loss against comparable prior periods and the Company's annual operating plan. The measure of segment assets is reported on the unaudited condensed consolidated balance sheets as total consolidated assets.

In addition to the significant expense categories included within net loss presented on the unaudited condensed consolidated statements of operations and comprehensive loss, the following table sets forth disaggregated research and development expenses (in thousands):

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Direct research and development expenses: | | | | |
| Budoprutug | $ 5,193 | $ 4,883 | $ 15,844 | $ 15,545 |
| CLYM116[1] | 2,531 | 648 | 5,235 | 9,913 |
| Legacy programs[2] | 15 | 16 | 44 | 89 |
| Unallocated research and development expenses: | | | | |
| Personnel-related (including stock-based compensation) | 2,766 | 3,132 | 7,465 | 6,341 |
| Other research and development expenses | 539 | 394 | 1,543 | 1,087 |
| Total research and development expenses | $ 11,044 | $ 9,073 | $ 30,131 | $ 32,975 |

[1] Includes the upfront payment and the associated direct transaction costs incurred in connection with the Mabworks Agreement for the nine months ended September 30, 2025.
[2] Includes direct expenses related to the Company's legacy product candidates ETX-123 and ETX-155.

**12. Subsequent Events**

The Company has evaluated subsequent events through the date on which these unaudited condensed consolidated financial statements were issued. In October 2026, the Company sold 1,010,000 shares of its common stock under the ATM Program at a price of $10.00 per share, resulting in gross proceeds of approximately $10.1 million.

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

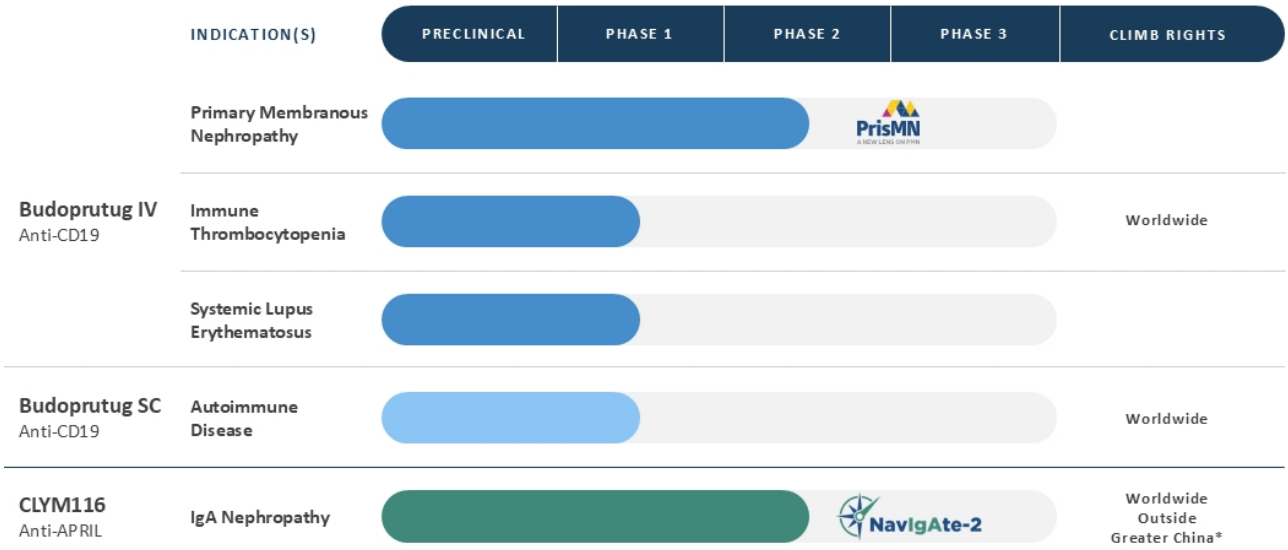
*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in this Quarterly Report and the audited financial statements and notes thereto as of and for the year ended December 31, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 5, 2026. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve substantial risks and uncertainties. As a result of many factors, including those factors set forth in Part II, Item 1A. "Risk Factors" of this Quarterly Report, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. For further information regarding our forward-looking statements, see "Cautionary Note Regarding Forward-Looking Statements" in this Quarterly Report.*

*Unless the context requires otherwise, references in this Quarterly Report to "we," "us," and "our" refer to Climb Bio, Inc. and its wholly owned subsidiaries.*

**Overview**

We are a clinical-stage biotechnology company committed to developing potential best-in-class therapeutics that address significant unmet need for patients living with immune-mediated diseases. We have built our pipeline by strategically acquiring or in-licensing product candidates that we believe have clear biological rationale, well-defined development pathways, and the potential to address multiple indications.

We are developing our product candidates for multiple immune-mediated diseases, as summarized in the pipeline figure below.




Budoprutug SC and CLYM116 Phase 1 trials conducted in healthy volunteers.
*Greater China defined as mainland China, Hong Kong, Macau, and Taiwan; Partner: Beijing Mabworks Biotech Co., Ltd.
APRIL = a proliferation-inducing ligand, IV = intravenous, mAbs = monoclonal antibodies, SC = subcutaneous

We acquired the rights to our product candidates through license and asset purchase agreements. We have worldwide rights to develop and commercialize budoprutug for all indications, except for oncology. We have rights to develop and commercialize CLYM116 for all indications worldwide outside of mainland China, Hong Kong, Macau, and Taiwan (Greater China). Additional information about our business, our products, and our product candidates is included in Part I. Item 1., "*Business*" included in our Annual Report.

***Budoprutug IV***

Our lead product candidate, budoprutug, is a clinical-stage anti-CD19 monoclonal antibody (mAb) designed to deplete CD19-positive B cells. CD19 plays a mechanistic role across all stages of B-cell development, and emerging clinical evidence continues to support the importance of CD19 in immune-mediated diseases. By targeting CD19, budoprutug has the potential to provide rapid, profound, and durable reductions in B cells and pathogenic autoantibodies, which may allow for a disease-modifying therapeutic approach. We have focused our initial development strategy for budoprutug on primary membranous nephropathy (pMN), immune

thrombocytopenia (ITP), and systemic lupus erythematosus (SLE), which we believe each offer a strong mechanistic rationale for CD19-directed therapy.

*pMN*

In November 2025, we dosed the first patient in our Phase 2 clinical trial of budoprutug in pMN patients with persistent proteinuria despite optimized renin-angiotensin-aldosterone system (RAAS) inhibition, known as PrisMN. PrisMN, an open-label, dose-escalation Phase 2 clinical trial, is designed to further evaluate safety, pharmacokinetics (PK), pharmacodynamics (PD) (including B cells, anti-PLA2R (Phospholipase A2 Receptor) and total immunoglobulin), and preliminary efficacy, including complete and partial remission, and to identify an optimal dose for Phase 3. The FDA granted budoprutug orphan-drug designation for the treatment of pMN in January 2023 and Fast Track Designation for pMN in April 2026.

In October 2026, we presented initial data from the ongoing PrisMN Phase 2 trial, including B-cell and anti-PLA2R data from the low dose cohort (200 mg) in an oral presentation at the American Society of Nephrology (ASN) Kidney Week 2026. At Week 12, the 200 mg cohort demonstrated B-cell depletion, a mean reduction in PLA2R antibody levels of 70%, and immunologic remission in five of 13 patients (38%). Patients in the 200 mg cohort with baseline PLA2R antibody levels below 175 RU/mL had a mean reduction in PLA2R antibody levels of 80% at Week 12. Phase 2 Week 12 data in the 200 mg cohort were consistent with Phase 1b Week 12 data across B-cell depletion, anti-PLA2R antibody reduction, and immunologic remission rate. A population PK analysis completed across all budoprutug studies (approximately 120) found that patients with high proteinuria (median urine protein-to-creatinine ratio (UPCR) of 6.8 g/g) clear budoprutug at least two-fold faster than non-proteinuric individuals, supporting the evaluation of higher doses in pMN. Initial data from the ongoing 600 mg cohort suggest greater drug exposure and deeper peripheral B-cell depletion compared with 200 mg, with mean peripheral CD20+ B-cell suppression at Week 4 of 98% at 600 mg compared with 74% at 200 mg. Budoprutug has been generally well tolerated in both cohorts to date, with follow-up through Week 12 for 200 mg and Week 6 for 600 mg. Enrollment in the third cohort (1000 mg) is ongoing and we expect additional data from the PrisMN Phase 2 trial from all cohorts, including longer-term follow-up in 2027.

*ITP*

In June 2025, we dosed the first patient in our open-label, dose-escalation Phase 1b clinical trial of budoprutug in patients with ITP, which is designed to evaluate safety, tolerability, PK, PD, and preliminary efficacy, including B-cell depletion and platelet counts. Results from this trial are expected to provide a deeper understanding of budoprutug activity and dosing and will inform future development efforts in ITP and other immune-mediated diseases.

In June 2026, we presented initial Phase 1b data in patients with primary ITP at the European Hematology Association, which demonstrated an encouraging safety and tolerability profile, robust B-cell depletion, and meaningful platelet responses in heavily pretreated patients. Initial safety and efficacy data were reported from the 250 mg cohort, while initial safety data were reported from the 500 mg cohort. These findings support the continued development of budoprutug across multiple autoimmune indications. Enrollment is complete and we will present additional data from the ongoing Phase 1b trial, including from the 500 mg and 1000 mg dose cohorts at the American Society of Hematology (ASH) Annual Meeting in December 2026.

*SLE*

In July 2025, we dosed the first patient in our global, open-label, dose-escalation Phase 1b clinical trial of budoprutug in moderate to severe SLE. In this trial, a single dose of budoprutug will be administered in moderate to severe SLE patients to evaluate safety, tolerability, PK, PD, and preliminary efficacy, including B-cell depletion, autoantibody levels, and clinical activity. As of the October 7, 2026 data cutoff, 17 participants had enrolled across the 10 mg, 30 mg and 100 mg single-dose cohorts. B-cell depletion deepened and was more durable with increasing dose, and reached a mean reduction of 84% at Week 12 in the 100 mg cohort. Reductions of greater than or equal to 4 points in the Systemic Lupus Erythematosus Disease Activity Index 2000 (SLEDAI-2K) scores were observed at Week 12 in 7 of 12 participants in the 30 mg and 100 mg cohorts, compared with none of the 5 in the 10 mg cohort. Budoprutug was generally well tolerated, with no serious adverse events, discontinuations due to adverse events or infusion-related reactions reported. Enrollment is ongoing in the final 200 mg cohort of the global trial.

In December 2025, we received clearance of our IND to initiate a separate, parallel Phase 1b/2a clinical trial in SLE patients in China, which will complement our ongoing global Phase 1b clinical trial and also seek to enroll SLE patients who have lupus nephritis (LN). We dosed the first patient in this trial in June 2026 and are actively enrolling. These trials in SLE are expected to provide insights into budoprutug activity and will also help to inform future development efforts for our program broadly. We expect additional data from both ongoing SLE trials in 2027.

***Budoprutug SC***

In parallel, we are advancing a high-concentration subcutaneous (SC) formulation of budoprutug, which may offer a differentiated convenience profile and potential commercial advantage. We completed a Phase 1 clinical trial of the SC formulation of budoprutug in healthy volunteers in Australia and announced topline data from this trial in May 2026. The SC formulation of budoprutug was generally well-tolerated and resulted in robust B-cell depletion, which was similar to the IV formulation at a matched dose. The results

support the advancement of the SC formulation to a multiple dose study in autoimmune disease patients to evaluate full B-cell depleting doses and optimal dosing regimen. We plan to initiate this study and expect initial data in 2027.

***CLYM116***

In addition to budoprutug, we are developing CLYM116, a next generation anti-APRIL (A PRoliferation-Inducing Ligand) mAb for the treatment of patients with immunoglobulin A nephropathy (IgAN) and other B-cell mediated diseases. CLYM116 is a highly potent, Fc-engineered antibody that prevents APRIL signaling by potently blocking the binding of APRIL to its receptors and promoting lysosomal APRIL degradation through a pH-dependent bind-and-release 'sweeper' mechanism. Through this unique binding profile and half-life extending Fc-engineering, CLYM116 has the potential to enable deep and durable inhibition of APRIL signaling and IgA production.

In December 2025, we dosed the first subject in our Phase 1 clinical trial in healthy volunteers designed to evaluate the safety, tolerability, PK, and PD of CLYM116. Separately, in February 2026, our partner, Mabworks, initiated a Phase 1/2 clinical trial in China in healthy volunteers and IgAN patients and enrollment is ongoing. In June 2026, we completed dosing in our Phase 1 trial and presented positive translational pharmacometrics modeling and initial Phase 1 safety data for CLYM116 at European Renal Association Congress.

At an R&D Spotlight Event in September 2026, we presented initial data from our Phase 1 trial and later in October 2026 at the ASN Kidney Week, we presented additional data from our Phase 1 trial, and our partner, Mabworks, presented initial healthy volunteer data from their Phase 1/2 trial. The data presented included safety, tolerability, and PK/PD. Across both studies, over 90% free APRIL suppression was sustained through 12 weeks following a single SC dose greater than or equal to 480 mg. Following a single 800 mg dose, an approximately 70% reduction in Gd-IgA1 and an approximately 60% reduction in IgA were observed at 12 weeks. PK was consistent across both studies. CLYM116 has an estimated half-life of approximately 33 days based on the 800 mg single-dose and 320 mg multiple-dose (Day 1 and Day 15) cohorts. Exposure was linear, with no target-mediated drug disposition (TMDD) observed across the effective dose range. Together, these PK and PD data support an every 12-week (Q12W) dosing regimen. CLYM116 has been generally well tolerated, with no dose limiting toxicities, treatment-related serious adverse events (SAEs), or hypogammaglobulinemia. NAVIGATE-2, the Phase 2 portion of Mabworks' ongoing Phase 1/2 study, is a randomized, open-label study evaluating an 800 mg loading dose of CLYM116 followed by 400 mg every 8 weeks (Q8W) or Q12W, intended to support advancement of a Q12W regimen into Phase 3. The first IgAN patient was dosed in August 2026, enrollment is ongoing, and we expect initial data from this trial in the first half of 2027. We anticipate initiating a global Phase 3 trial in 2027, pending regulatory feedback.

***Risks and Liquidity***

Since our inception, we have primarily funded our operations with proceeds from the sale and issuance of shares of our redeemable convertible preferred stock, our initial public offering (IPO), and the sale and issuance of shares in private placements of shares of our common stock and pre-funded warrants to certain institutional investors. We do not have any products approved for sale and have not generated any revenue from product sales since our inception. Our ability to generate product revenue will depend on the successful development, regulatory approval and eventual commercialization of one or more of our product candidates, if approved. We cannot assure you that we will ever be profitable or generate positive cash flow from operating activities. We expect to continue to incur operating losses for the foreseeable future and will need to raise substantial additional capital in the future. Until such time, if ever, as we can generate significant revenue from product sales, we may finance our operations through equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. Adequate funding may not be available when needed or on terms acceptable to us, or at all.

If we fail to obtain necessary capital when needed on acceptable terms, or at all, it could force us to delay, limit, reduce or terminate our product development programs, commercialization efforts or other operations. Insufficient liquidity may also require us to relinquish rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose. Our ability to raise additional funds may be adversely impacted by the potential worsening of global economic conditions and the recent disruptions to, and volatility in, worldwide credit and financial markets, resulting from increased volatility in the trading prices for shares in the biopharmaceutical industry, or otherwise. Further, imposition of tariffs and other trade restrictions by the U.S., as well as reciprocal trade restrictions imposed by other countries, could adversely affect global economies, financial markets and the overall environment in which we do business, as further described in Part II, Item 1A, "*Risk Factors*" of this Quarterly Report on Form 10-Q.

Cash, cash equivalents, and marketable securities were $227.6 million as of September 30, 2026. Based on our current operating plan, we expect this balance to fund operations into the second half of 2028. We have based our current estimate on assumptions that may prove to be wrong and that may change following our evaluation of our operating plan. We could use our available capital resources sooner than we currently anticipate, in which case we would be required to obtain additional financing, which may not be available to us on acceptable terms, or at all. See "*—Liquidity and Capital Resources*."

**2026 Private Placement**

In April 2026, we entered into a securities purchase agreement (the Securities Purchase Agreement) with certain institutional accredited investors (the Investors), including an affiliate of RA Capital Management L.P., pursuant to which we issued and sold to the Investors in a private placement an aggregate of 9,481,000 shares of our common stock at a price of $9.50 per share and, to certain Investors in lieu of shares, pre-funded warrants to purchase 2,106,000 shares of our common stock at a price of $9.4999 per pre-funded warrant (the 2026 Private Placement). We received aggregate net proceeds from the 2026 Private Placement of approximately $103.4 million, after deducting placement agent fees and other offering expenses.

**ATM Program**

In June 2026, we entered into an Open Market Sale Agreement℠ with Jefferies LLC, as sales agent, to provide for the issuance and sale of up to $100.0 million of our common stock from time to time in "at-the-market" offerings (the ATM Program). In October 2026, we sold 1,010,000 shares of our common stock under the ATM Program, resulting in gross proceeds of approximately $10.1 million.

**Components of Operating Results**

***Operating Expenses***

Our operating expenses consist of research and development expenses and general and administrative expenses.

*Research and Development*

Research and development expenses consist of costs incurred for our research and development activities, including development of our product candidates, budoprutug and CLYM116, and our previous product candidates, ETX-123 and ETX-155, consisting primarily of the following:

- employee-related expenses, such as salaries, bonuses, benefits, stock-based compensation, and termination benefits, for employees engaged in research and development functions;
- expenses incurred in connection with the nonclinical and clinical development of our product candidates, including under agreements with CROs and consultants;
- the cost of third-party suppliers and manufacturers for material used in our development activities, including under agreements with contract development and manufacturing organizations (CDMOs);
- facilities and other expenses, which include direct and allocated expenses including rent; and
- payments made under third-party licensing agreements.

We expense research and development costs to operations as incurred. Advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

Our direct research and development expenses are tracked on a program-by-program basis and consist primarily of external costs, such as fees paid to CDMOs, CROs, consultants and contractors, in connection with our nonclinical and clinical development activities. We do not allocate employee costs, costs associated with facility expenses, or other indirect costs, to specific programs because these costs are deployed across multiple product development programs and, as such, are not separately classified.

We expect our research and development expenses to increase substantially for the foreseeable future as we conduct our ongoing research and development activities. The process of conducting nonclinical studies, acquiring drug product supply, and conducting clinical trials necessary to obtain regulatory approval is costly and time consuming. We may never succeed in achieving marketing approval for budoprutug, CLYM116, or any product candidate we may develop.

The timelines and costs associated with research and development activities are uncertain and can vary significantly among product candidates and development programs due to the inherently unpredictable nature of nonclinical and clinical development. We anticipate that we will make determinations as to which indications to pursue in connection with our clinical development of budoprutug, CLYM116, or any product candidates we may develop and how much funding to direct to each such indication on an ongoing basis in response to nonclinical and clinical results, regulatory developments, and ongoing assessments as to each such indication's commercial potential. Our future research and development costs may vary significantly and differ materially from expectations, and a change in the outcome of variables with respect to the development of budoprutug, CLYM116, or any product candidates we may develop could significantly change the costs and timing associated with such development. See the section titled "*Risk Factors—Risks Related to our Financial Position and Need for Additional Capital*."

*General and Administrative*

Our general and administrative expenses consist primarily of personnel-related expenses such as salaries, bonuses, benefits, stock-based compensation, and termination benefits, for our personnel in executive, finance and accounting, legal, human resources, business development, information technology and other administrative functions. Other significant general and administrative expenses include legal fees relating to corporate matters and intellectual property, professional fees for accounting, audit, regulatory, tax and consulting services, insurance costs, as well as investor and public relations costs.

We expect that our general and administrative expenses will increase for the foreseeable future, including increases in headcount as we continue to support our growth strategy and, if any product candidates receive marketing approval, commercialization activities, as well as to support our operations generally.

***Other Income (Expense)***

*Interest Income*

Our interest income consists of interest earned on our cash, cash equivalents and marketable securities, including amortization of purchase premiums and accretion of discounts of marketable securities.

*Foreign Currency Gain (Loss)*

Our foreign currency gain (loss) consists of foreign exchange gains and losses resulting from remeasurement of foreign currency transactions to the U.S. Dollar.

**Results of Operations**

The following table sets forth our results of operations for the three and nine months ended September 30, 2026 and 2025 *(in thousands)*:

| | Three Months Ended September 30, | | Change | Nine Months Ended September 30, | | Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | $ | 2026 | 2025 | $ |
| Operating expenses: | | | | | | |
| Research and development | $ 11,044 | $ 9,073 | $ 1,971 | $ 30,131 | $ 32,975 | $ (2,844) |
| General and administrative | 5,849 | 5,819 | 30 | 17,332 | 15,612 | 1,720 |
| Total operating expenses | 16,893 | 14,892 | 2,001 | 47,463 | 48,587 | (1,124) |
| Loss from operations | (16,893) | (14,892) | (2,001) | (47,463) | (48,587) | 1,124 |
| Other income (expense): | | | | | | |
| Interest income | 2,325 | 2,037 | 288 | 5,694 | 6,497 | (803) |
| Foreign currency gain (loss) | (5) | (33) | 28 | (24) | (245) | 221 |
| Total other income (expense), net | 2,320 | 2,004 | 316 | 5,670 | 6,252 | (582) |
| Net loss | $ (14,573) | $ (12,888) | $ (1,685) | $ (41,793) | $ (42,335) | $ 542 |

***Operating Expenses***

*Research and Development*

The following table sets forth our research and development expenses for the three and nine months ended September 30, 2026 and 2025 *(in thousands)*:

| | Three Months Ended September 30, | | Change | Nine Months Ended September 30, | | Change |
|---|---|---|---|---|---|---|
| | 2026 | 2025 | $ | 2026 | 2025 | $ |
| Direct research and development expenses: | | | | | | |
| Budoprutug | $ 5,193 | $ 4,883 | $ 310 | $ 15,844 | $ 15,545 | $ 299 |
| CLYM116 | 2,531 | 648 | 1,883 | 5,235 | 9,913 | (4,678) |
| Legacy programs | 15 | 16 | (1) | 44 | 89 | (45) |
| Unallocated research and development expenses: | | | | | | |
| Personnel-related (including stock-based compensation) | 2,766 | 3,132 | (366) | 7,465 | 6,341 | 1,124 |
| Other research and development expenses | 539 | 394 | 145 | 1,543 | 1,087 | 456 |
| Total research and development expenses | $ 11,044 | $ 9,073 | $ 1,971 | $ 30,131 | $ 32,975 | $ (2,844) |

Research and development expenses increased from $9.1 million for the three months ended September 30, 2025 to $11.0 million for the three months ended September 30, 2026, primarily due to $1.9 million of higher CLYM116 program costs associated with the advancement of our CLYM116 program and $0.3 million for our budoprutug program. This increase was partially offset by a $0.4 million decrease in personnel-related expenses resulting from $1.5 million of non-recurring stock-based compensation recognized in the prior-year period upon achievement of the performance conditions of certain performance-based RSUs, partially offset by increases in personnel-related expenses in the three months ended September 30, 2026 associated with increased headcount to support the continued advancement of our pipeline.

Research and development expenses decreased from $33.0 million for the nine months ended September 30, 2025 to $30.1 million for the nine months ended September 30, 2026. The decrease was primarily due to the $9.0 million upfront payment and associated transaction costs made during the nine months ended September 30, 2025 in connection with the Mabworks Agreement and our license of CLYM116 with no similar payment made during the nine months ended September 30, 2026, partially offset by approximately $4.6 million of increased spend associated with the advancement of our pipeline as well as an additional $1.1 million in personnel-related expenses driven by increased headcount to support the continued advancement of our pipeline.

*General and Administrative*

General and administrative expenses were consistent at $5.8 million for the three months ended September 30, 2026 and 2025, as higher compensation costs associated with increased headcount were fully offset by a decrease in stock-based compensation related to a non-recurring charge recognized in the prior-year period upon achievement of the performance conditions of certain performance-based RSUs.

General and administrative expenses increased from $15.6 million for the nine months ended September 30, 2025 to $17.3 million for the nine months ended September 30, 2026, primarily due to a $1.6 million increase in personnel-related expenses driven by increased headcount.

***Other Income (Expense)***

*Interest Income*

Interest income increased from $2.0 million for the three months ended September 30, 2025 to $2.3 million for the three months ended September 30, 2026, primarily due to higher average invested balances resulting in approximately $0.6 million of additional interest income, offset by an approximately $0.3 million decrease due to lower returns earned on our marketable securities as a result of changes in interest rates.

Interest income decreased from $6.5 million for the nine months ended September 30, 2025 to $5.7 million for the nine months ended September 30, 2026, primarily due to lower returns earned on our marketable securities as a result of the changes in interest rates.

*Foreign Currency Gain (Loss)*

Foreign currency gain (loss) was not material in either of the three and nine months ended September 30, 2026 or 2025.

**Liquidity and Capital Resources**

***Sources of Liquidity***

Since our inception, we have primarily funded our operations with proceeds from the sale and issuance of shares of our redeemable convertible preferred stock, our IPO, the sale and issuance of shares of our common stock and pre-funded warrants to purchase shares of our common stock in private placements including the 2026 Private Placement. We have not generated any revenue from product sales or otherwise. We have incurred net losses from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future. As of September 30, 2026, we had cash, cash equivalents and marketable securities of $227.6 million.

In March 2025, we entered into an Equity Distribution Agreement (the Distribution Agreement) with Oppenheimer & Co. Inc., as sales agent (Oppenheimer), pursuant to which we may offer and sell shares of our common stock from time to time through Oppenheimer having an aggregate offering price of up to $22.4 million in an at the market offering. We terminated the Distribution Agreement effective as of June 11, 2026. We did not incur any termination penalties as a result of the termination of the Distribution Agreement. As of the effective date of the termination of the Distribution Agreement, we had not sold any shares of Common Stock pursuant to the Distribution Agreement.

In June 2026, we entered into an Open Market Sale Agreement℠ with Jefferies LLC, as sales agent, to provide for the issuance and sale of up to $100.0 million of our common stock from time-to-time in "at-the-market" offerings (the ATM Program). As of September 30, 2026, no sales had been made pursuant to the ATM Program.

In October 2026, we sold 1,010,000 shares of our common stock under the ATM Program at a price of $10.00 per share, resulting in gross proceeds of approximately $10.1 million.

***Cash Flows***

The following table sets forth our cash flows (in thousands):

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2026 | 2025 |
| Net cash used in operating activities | $ (36,925) | $ (38,721) |
| Net cash used in investing activities | (63,818) | (22,705) |
| Net cash provided by financing activities | 104,932 | — |

*Operating activities*

For the nine months ended September 30, 2026, net cash used in operating activities was $36.9 million, which reflects our net loss of $41.8 million, non-cash adjustments totaling $4.5 million and a net change of $0.3 million in our net operating assets and liabilities. Non-cash adjustments primarily related to stock-based compensation expense of $5.1 million, partially offset by net accretion of discounts on marketable securities of $1.2 million.

For the nine months ended September 30, 2025, net cash used in operating activities was $38.7 million, resulting from our net loss of $42.3 million and cash used by changes in our operating assets and liabilities of $1.9 million, partially offset by $5.5 million in non-cash charges. Cash used by changes in our operating assets and liabilities primarily consisted of an increase in other long-term assets of $1.5 million.

*Investing activities*

For the nine months ended September 30, 2026, net cash used in investing activities was $63.8 million, consisting primarily of purchases of $164.3 million of marketable securities, offset by $101.5 million in proceeds received from maturities of marketable securities.

For the nine months ended September 30, 2025, net cash used in investing activities was $22.7 million, consisting primarily of purchases of $103.1 million of marketable securities, partially offset by $80.6 million in proceeds received from maturities of marketable securities.

*Financing activities*

For the nine months ended September 30, 2026, net cash provided by financing activities was $104.9 million, consisting primarily of net proceeds related to the 2026 Private Placement of $103.4 million.

For the nine months ended September 30, 2025, there were no financing activities.

***Funding Requirements***

Cash, cash equivalents, and marketable securities were $227.6 million as of September 30, 2026. Based on our current operating plan, we expect this balance to fund operations into the second half of 2028. We have based our current estimate on assumptions that may prove to be wrong and that may change following our evaluation of our operating plan. We could exhaust our available capital resources sooner than we expect. We anticipate that our expenses will increase for the foreseeable future as we continue to advance our current product candidates and any product candidates we may develop, expand our corporate infrastructure, and incur costs associated with potential commercialization.

We are subject to all of the risks typically related to the development of biopharmaceutical candidates, and we may encounter unforeseen expenses, difficulties, complications, delays, and other unknown factors that may adversely affect our business. Our future funding requirements will depend on many factors, including the following:

- the number and scope of development, nonclinical and clinical programs we decide to pursue, and the timing, cost and progress of activities related to such programs;
- the progress, costs and results of our clinical trials of budoprutug in pMN, ITP, and SLE, our clinical trial of the SC formulation of budoprutug, our clinical trials of CLYM116, and any future clinical trials of our product candidates;
- the costs of manufacturing our product candidates by third parties;
- the terms of any collaborations, license or research and development agreements we may enter into;
- the cost of regulatory requirements, regulatory submissions and timing of regulatory approvals;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims;

- the potential delays in our development programs and clinical trial activities due to the effects of global events, including macroeconomic conditions and supply chain disruptions;
- the impact of inflationary pressures on salaries and wages, and costs of goods and transportation expenses, including the impact of tariffs and other trade restrictions;
- the cost of commercialization activities if any of our product candidates are approved for sale, including marketing, sales and distribution costs; and
- our efforts to enhance operational systems and hire personnel to support development of budoprutug, CLYM116, or any product candidates we may develop.

Furthermore, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development expenditures. Until such time, if ever, as we can generate substantial revenue from product sales, we may finance our operations through equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed or on favorable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be or could be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders.

Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise funds through collaborations, or other similar arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or our product candidates or grant licenses on terms that may not be favorable to us and may reduce the value of our common stock. Our failure to raise capital or enter into such other arrangements when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts, or grant rights to develop and market budoprutug, CLYM116, or any product candidates we may develop even if we would otherwise prefer to develop and market such product candidates ourselves.

***Contractual Commitments and Obligations***

There have been no material changes to our cash requirements from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

**Critical Accounting Policies and Estimates**

This management's discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The preparation of our unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and notes to the unaudited condensed consolidated financial statements. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions and conditions.

There have been no material changes to our critical accounting policies and estimates from those disclosed in our audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2025 included in our Annual Report.

***Recently Issued Accounting Pronouncements Not Yet Adopted***

Refer to Note 2, *Significant Accounting Policies*, to our unaudited condensed consolidated financial statements included in this Quarterly Report.

***Implications of Being an "Emerging Growth Company" and "Smaller Reporting Company"***

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued after the enactment of the JOBS Act until those standards apply to private companies. Other exemptions and reduced reporting requirements under the JOBS Act for emerging growth companies include an exemption from the requirement to provide an auditor's report on internal controls over financial reporting pursuant to the Sarbanes-Oxley Act, an exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation, and less extensive disclosure about our executive compensation arrangements. We have elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. We will cease to be an emerging growth company on December 31, 2026.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates was less than $700 million as of the last business day of our most recently completed second fiscal quarter and our annual revenue was less than $100 million during our most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than $250.0 million as of the last business day of our most recently completed second fiscal quarter or (ii) our annual revenue was less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 million as of the last business day of our most recently completed second fiscal quarter. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. For so long as we remain a smaller reporting company, we are permitted and intend to rely on exemptions from certain disclosure and other requirements that are applicable to other public companies that are not smaller reporting companies.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

As a smaller reporting company, we are not required to provide the information requested by this item pursuant to Item 305(e) of Regulation S-K.

**Item 4. Controls and Procedures.**

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer (our principal executive officer) and chief financial officer (our principal financial officer) or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, under the supervision and with the participation of our chief executive officer and chief financial officer (our principal executive officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2026. Based on our evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective as of September 30, 2026 because of the material weaknesses in our internal control over financial reporting described below.

Notwithstanding the material weaknesses, management believes the unaudited condensed consolidated financial statements included in Part I of this Quarterly Report present fairly, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in accordance with generally accepted accounting principles in the United States.

***Material Weaknesses in Internal Control Over Financial Reporting***

In connection with the preparation of our consolidated financial statements for the year ended December 31, 2020, we identified material weaknesses in our internal control over financial reporting, two of which remain unremediated as of September 30, 2026. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim consolidated financial statements will not be prevented or detected on a timely basis. The material weaknesses are as follows:

- We did not design or maintain an effective control environment. Specifically, we lacked a sufficient number of professionals with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters commensurate with accounting and reporting requirements. The lack of personnel contributed to the following material weakness.
- We did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures, including segregation of duties and controls over the preparation and review of journal entries, account reconciliations and consolidation.

These material weaknesses did not result in a misstatement to the unaudited condensed consolidated financial statements. However, these material weaknesses could result in a misstatement of our account balances or disclosures that would result in a material misstatement of our annual or interim consolidated financial statements that would not be prevented or detected.

***Remediation Efforts to Address Material Weaknesses***

Management has concluded that the material weaknesses in internal control over financial reporting were due to the fact that we were a private company with limited resources when the material weaknesses were identified for the year ended December 31, 2020, and did not have the necessary business processes and related internal controls formally designed and implemented, coupled with the appropriate resources with the appropriate level of experience and technical expertise, to oversee our business processes and controls.

We have implemented measures designed to improve internal control over financial reporting to remediate the control deficiencies that led to our material weaknesses. The remediation measures we have taken include:

- Hired qualified personnel with appropriate expertise to perform specific functions and ensure adequate segregation of key duties and responsibilities;
- Designed and implemented improved policies, processes, and internal controls, including senior management review and audit committee oversight, to achieve complete, accurate and timely financial accounting, reporting and disclosures;
- Implemented and formalized policies, processes, and internal controls to identify and assess complex accounting transactions and other technical accounting and financial reporting matters; and
- Implemented financial systems to improve segregation of duties and controls and reliability of system generated data.

We believe we have made substantial progress toward achieving the effectiveness of our internal control over financial reporting and disclosure controls and procedures. The actions that have been taken are subject to continued review and testing by management as well as oversight by the audit committee of our board of directors. We will not be able to conclude whether the steps we have taken will fully remediate these material weaknesses in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness.

***Changes in Internal Control over Financial Reporting***

There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter to which this Quarterly Report relates that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings

Information with respect to legal proceedings is described in Note 6 "Commitments and Contingencies" in the Notes to the Unaudited Condensed Consolidated Financial Statements contained in Part I, Item 1 of this Quarterly Report, which is incorporated herein by reference.

### Item 1A. Risk Factors.

## RISK FACTORS

*The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward-looking statements we have made in this Quarterly Report and those we may make from time to time. You should carefully consider the risks described below, in addition to the other information contained in this Quarterly Report and our other public filings. Our business, financial condition or results of operations could be harmed by any of these risks. The risks and uncertainties described below are not the only ones we face. Additional risks not presently known to us or other factors not perceived by us to present significant risks to our business at this time also may impair our business operations.*

### Risks Related to our Financial Position and Need for Additional Capital

***We have incurred significant losses since our inception, expect to continue to incur substantial losses for the foreseeable future and may never achieve or sustain profitability.***

We are a clinical-stage biotechnology company with a limited operating history. Our efforts are focused primarily on the treatment of unmet needs in immune-mediated diseases. We are initially developing our lead product candidate budoprutug in pMN, ITP and SLE. In addition, in January 2025, we expanded our pipeline of B-cell targeted therapeutics by entering into the Mabworks Agreement, pursuant to which Mabworks granted us licenses to develop, manufacture and commercialize CLYM116, an anti-APRIL monoclonal antibody, and products containing CLYM116.

To date, we have not received regulatory approvals for any of our product candidates or generated any revenue from product sales. We do not expect to generate revenue from product sales for the foreseeable future. Budoprutug and CLYM116 are both in early stages of research and development. As a result, we are not profitable, and we have incurred significant operating losses since inception and expect to continue to incur substantial losses, including expenses incurred to advance the development of budoprutug and CLYM116, conduct clinical trials, pursue regulatory approvals, maintain, expand, and protect our intellectual property portfolio, operate as a public company, potentially acquire or in-license other technologies, and build the capabilities necessary for potential commercialization of our product candidates, if approved. Our net losses totaled $14.6 million and $41.8 million for the three and nine months ended September 30, 2026, respectively. As of September 30, 2026, we had an accumulated deficit of $331.5 million. We may never achieve or sustain profitability.

***If we are unable to access capital when needed, it could force us to delay, reduce or terminate our product candidate development programs, commercialization efforts, or other operations.***

Conducting nonclinical studies and clinical trials, obtaining regulatory approvals, and preparing for potential commercialization are costly, time-consuming, and subject to significant uncertainty. Cash, cash equivalents, and marketable securities were $227.6 million as of September 30, 2026. Based on our current operating plan, we expect this balance to fund operations into the second half of 2028. We have based our current estimate on assumptions that may prove to be wrong and that may change following our evaluation of our operating plan. We could exhaust our available capital resources sooner than we expect. In addition, our operating plan may change, and we may require additional capital sooner than anticipated. Our future need for additional funding depends on many factors, including:

- the number and scope of development, nonclinical and clinical programs we decide to pursue, and the timing, cost and progress of activities related to such programs;
- the progress, costs and results of our clinical trials of budoprutug in pMN, ITP, and SLE, our clinical trial of the SC formulation of budoprutug, our clinical trials of CLYM116, and any future clinical trials of our product candidates;
- the costs of manufacturing our product candidates by third parties;

- the terms of any collaborations, license or research and development agreements we may enter into;
- the cost of regulatory requirements, regulatory submissions and timing of regulatory approvals;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims;
- the potential delays in our development programs and clinical trial activities due to the effects of global events, including macroeconomic conditions and supply chain disruptions;
- the impact of inflationary pressures on salaries and wages, and costs of goods and transportation expenses, including the impact of tariffs and other trade restrictions;
- the cost of commercialization activities if any of our product candidates are approved for sale, including marketing, sales and distribution costs; and
- our efforts to enhance operational systems and hire personnel to support the development of our product candidates.

We cannot be certain that additional funding will be available on acceptable terms, or at all. Our ability to raise additional capital may be adversely impacted by disruptions to, or continuing volatility in, the credit and financial markets in the U.S. and worldwide, including increased volatility in the trading prices for shares of public companies in the biopharmaceutical sector, actual and perceived changes in interest rates and inflation, macroeconomic uncertainties, or otherwise. We have no committed source of additional capital, and if we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we may have to significantly delay, scale back or discontinue the development or commercialization of our product candidates or other research and development initiatives.

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

Until such time, if ever, as we can generate substantial revenues from product sales, we may need or may seek to finance our operations through a combination of equity offerings, debt financings, collaborations, strategic alliances and marketing, distribution or licensing arrangements. In addition, we may seek additional capital due to favorable market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of common stock, convertible securities or other equity securities, our stockholders' ownership interest may be diluted, and the terms of these securities could include liquidation or other preferences and anti-dilution protections that could adversely affect the rights of a common stockholder. In addition, debt financing, if available, may result in fixed payment obligations and may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures, creating liens, redeeming stock or declaring dividends, that could adversely impact our ability to conduct our business. Further, securing financing could 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. Additional capital may not be available to us, or even if it is, the cost of such capital may be high.

Further, we have issued, and may in the future issue additional, equity securities as consideration for business development transactions, which may also dilute our existing stockholders' ownership interests. For example, we issued additional shares of our common stock in connection with our acquisition (the Acquisition) of Tenet Medicines, Inc. (Tenet), and in the concurrent private placement (the Acquisition Private Placement) as well as shares of our common stock and pre-funded warrants to purchase shares of our common stock in the 2026 Private Placement.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our product candidates that we would otherwise prefer to develop and market ourselves.

***We currently have no source of product revenue and may never become profitable.***

We have never commercialized a product or generated any revenues from commercial product sales, or otherwise, and we may never become profitable. Our ability to generate revenue from product sales or achieve profitability will depend upon our ability, alone or with any future collaborators, to successfully commercialize our product candidates or any products that we may develop, in-license or acquire in the future. Even if we are able to successfully achieve regulatory approval for our product candidates, we do not know when

our product candidates will generate revenue from product sales for us, if at all. Our ability to generate revenue also depends on a number of additional factors, including our or any current or future collaborators' ability to:

- complete and submit INDs to the FDA that allow commencement of clinical trials for our product candidates;
- complete development activities, including the necessary clinical trials;
- complete and submit biologics license applications (BLAs) to the FDA and obtain regulatory approval for indications for which there is a commercial market;
- complete and submit applications to, and obtain regulatory approval from, foreign regulatory authorities;
- set a commercially viable price for any products;
- establish and maintain supply and manufacturing relationships with third parties, and ensure adequate and legally compliant manufacturing of bulk drug substances and drug products to maintain that supply;
- develop a commercial organization capable of sales, marketing and distribution for any products for which we obtain marketing approval and intend to sell ourselves in the markets in which we choose to commercialize on our own;
- find suitable distribution partners to help us market, sell and distribute our approved products in other markets;
- obtain coverage and adequate reimbursement from third-party payors, including government and private payors;
- achieve market acceptance for any products;
- establish, maintain and protect our intellectual property rights; and
- attract, hire and retain qualified personnel.

In addition, because of the numerous risks and uncertainties associated with pharmaceutical product development, our product candidates may not advance through development or achieve the endpoints of applicable clinical trials. We are unable to predict the timing or amount of increased expenses, or when or if we will be able to achieve or maintain profitability. In addition, our expenses could increase beyond expectations if we decide or are required by the FDA or foreign regulatory authorities, to perform studies or trials in addition to those that we currently anticipate. Even if we can complete the development and regulatory process for our product candidates, we anticipate incurring significant costs associated with commercializing any such products. Even if we can generate revenue from the sale of any of our product candidates that may be approved, we may not become profitable.

***We may be required to make significant payments in connection with our license agreements, which could strain our capital resources.***

We may be required to make significant payments under our license and asset purchase agreements, including development, regulatory, commercial and sales-based milestone, and royalty payments. These obligations may be substantial and strain our capital resources, and we may not have sufficient funds when payments become due. If we fail to meet payment or diligence obligations, licensors may terminate the agreements, resulting in the loss of rights to budoprutug, CLYM116 or any other product candidate we may license.

As a result of the Acquisition, certain legacy Tenet agreements effectively became agreements of ours, including the Asset Purchase Agreement with Acelyrin, the CRH Agreement, and a cell line development, manufacturing services and license agreement with ProBioGen AG. In addition, in January 2025, we entered into the Mabworks Agreement, pursuant to which we obtained licenses to develop, manufacture and commercialize CLYM116, and products containing CLYM116, in certain territories.

We may be obligated to make significant future payments under these agreements, including obligations to pay certain contingent development, commercial, sales and regulatory milestones and royalties, as well as other obligations, as applicable. Certain of these agreements set forth specific development, regulatory and commercial events, the occurrence of which would result in related payments that we would be obligated to make. These potential obligations represent significant cash amounts that we may ultimately be obligated to pay. We cannot guarantee that we will have sufficient funds available to meet these obligations if and when these payments become due. The obligation to pay some or all of these milestone and royalty amounts may materially harm our development efforts, as well as our overall financial condition.

**Risks Related to our Business and the Development of our Product Candidates**

***Our future success is dependent on the regulatory approval and commercialization of our product candidates, and if we are unable to successfully develop and commercialize our product candidates, or experience any delay in doing so, our business could be materially harmed.***

Our future success depends on developing our product candidates, obtaining regulatory approval and successfully commercializing our product candidates. Delays or failures in clinical development, regulatory review, or commercialization could prevent or delay us from generating revenue or achieving profitability. Regulatory approval processes are lengthy, complex, and inherently uncertain, and regulatory expectations may evolve during development.

We do not have any product candidates that have gained regulatory approval, and we are substantially dependent on the success of budoprutug and CLYM116. As a result, our prospects, including our ability to finance our operations and generate revenue, are dependent on our ability to obtain regulatory approval for budoprutug and CLYM116, and, if approved, to successfully commercialize budoprutug and CLYM116. We cannot commercialize our product candidates or any product candidates we may develop in the U.S. without first obtaining regulatory approval for the product from the FDA; similarly, we cannot commercialize our product candidates or any product candidates we may develop outside of the U.S. without obtaining regulatory approval from comparable foreign regulatory authorities.

Under the Prescription Drug User Fee Act (PDUFA), the FDA's standard review process for a BLA is meant to take 10 months from the date a BLA is accepted for filing, but that process may take longer to complete, and FDA approval is never guaranteed. Before obtaining regulatory approvals for the commercial sale of our product candidates for a target indication, we must demonstrate with substantial evidence gathered in nonclinical and well-controlled clinical trials, and, with respect to approval in the U.S., to the satisfaction of the FDA, that the product candidate is potent, safe and pure for use for that target indication and that the manufacturing facilities, processes and controls are adequate. If our product candidates encounter undesirable safety signals, insufficient efficacy results, development delays, regulatory issues or other problems, our development plans and business would be significantly harmed.

Even if approved, our products may be subject to post-approval requirements, limitations on use, labeling changes, safety monitoring, or withdrawal or changes in law, guidance, or waiver from the FDA. A deferral of the requirement to conduct pediatric studies 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, potency and purity data need to be collected before the pediatric trials begin.

Additionally, pediatric studies may be required pursuant to the Pediatric Research Equity Act (PREA) or comparable foreign requirements. The law requires the FDA to send a PREA Non-Compliance letter to sponsors who have failed to submit their pediatric assessments required under PREA, have failed to seek or obtain a deferral or deferral extension or have failed to request approval for a required pediatric formulation. It further requires the FDA to publicly post the PREA Non-Compliance letter and sponsor's response. For any of our product candidates for which we seek regulatory approval in the U.S. or the European Union (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 an issuance and publication of a PREA Non-Compliance letter and associated reputational harm, our product candidate being considered misbranded and, subject to relevant enforcement action, invalidation of the marketing application, and financial penalties.

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 (Committee) of the European Medicines Agency (EMA) or to obtain a waiver or deferral from the conduct of these studies by this Committee. For any product candidates for which we seek 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.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us 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 a 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 study. 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 authority, as the case may be, and may ultimately lead to the denial of marketing approval of one or more of our product candidates.

Obtaining regulatory approval for marketing of our product candidates in one country does not ensure we will be able to obtain regulatory approval in other countries, but a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in other countries.

Even if our product candidates were to successfully obtain approval from the FDA and comparable foreign regulatory authorities, any approval might contain significant limitations related to use restrictions for specified age groups, gender or subpopulation of target indication, warnings, precautions or contraindications, or may be subject to burdensome post-approval study or risk management requirements, obligations, or review timelines. If we are unable to obtain regulatory approval for one or more jurisdictions, or an approval contains significant limitations, we may not be able to obtain sufficient funding or generate sufficient revenue to continue the development of budoprutug, CLYM116 or any product candidate that we may discover, in-license, develop or acquire. Also, any regulatory approval of our product candidates, once obtained, may be withdrawn.

Furthermore, even if we obtain regulatory approval for any of our product candidates, such product's commercial success will depend on a number of factors, including the following:

- development of a commercial organization or establishment of a commercial collaboration with a commercial infrastructure;
- establishment of commercially viable pricing and adequate reimbursement from third-party and government payors;
- the ability of our third-party manufacturers to manufacture quantities of such product in commercially sufficient processes and at a scale sufficient to meet anticipated demand and enable us to reduce our cost of manufacturing;
- our success in educating physicians and patients about the benefits, administration and use of such products;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments;
- the effectiveness of our own or our potential strategic collaborators' marketing, sales and distribution strategy and operations;
- acceptance of such product as potent, safe and pure by patients and the medical community; and
- a continued acceptable safety profile of such product following approval.

Many of these factors are beyond our control. If we, or our potential commercialization collaborators, are unable to successfully commercialize our product candidates, we may not be able to earn sufficient revenue to continue our business.

***Even if our product candidates receive regulatory approval, they may still face future development and regulatory difficulties.***

Even if we obtain regulatory approval for any of our product candidates, it would be subject to ongoing requirements by the FDA and comparable foreign regulatory authorities governing the manufacture, quality control, further development, labeling, packaging, storage, distribution, safety surveillance, import, export, advertising, promotion, recordkeeping and reporting of safety and other post-market information. The safety and efficacy profile of any product will continue to be closely monitored by the FDA and comparable foreign regulatory authorities after approval. If the FDA or comparable foreign regulatory authorities become aware of new safety and/or efficacy information after approval of such product candidate, they may require labeling changes or establishment of a Risk Evaluation and Mitigation Strategy (REMS) or similar strategy, impose significant restrictions on a product's indicated uses or marketing, or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance.

In addition, manufacturers of drug products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with current good manufacturing practice (cGMP) requirements and other regulations. If we or a regulatory agency discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product, the manufacturing facility or us, including requiring recall or withdrawal of the product from the market or suspension of manufacturing. If we, our product candidates or the manufacturing facilities for such product candidates, fail to comply with applicable regulatory requirements, a regulatory agency may:

- issue warning letters or untitled letters;
- impose restrictions on the marketing or manufacturing of such product candidate;
- mandate modifications to promotional materials or require us to provide corrective information to healthcare practitioners;

- require us or any future collaborator to enter into a consent decree, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific remediation actions and penalties for noncompliance;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;
- refuse to approve pending applications or supplements to applications filed by us;
- suspend or impose restrictions on operations, including costly new manufacturing requirements; or
- seize or detain products, refuse to permit the import or export of products, or require us to initiate a product recall.

The occurrence of any event or penalty described above may inhibit our ability to commercialize our product candidates, if approved, and generate revenue. The FDA strictly regulates the advertising and promotion of drug products, and drug products may only be marketed or promoted for their FDA approved uses, consistent with the product's approved labeling. Violations may lead to civil, criminal and administrative sanctions by the FDA or other enforcement authorities.

Advertising and promotion of any product candidate that obtains approval in the U.S. will be heavily scrutinized by the FDA, the Department of Justice, the Office of Inspector General of the U.S. Department of Health and Human Services (HHS), state attorneys general, members of Congress and the public. For example, the FDA stated in September 2025 that it intends to more aggressively enforce requirements for direct-to-consumer drug advertising and sent a significant number of warning and untitled letters to pharmaceutical companies alleging deceptive prescription drug advertising, which represents a dramatic increase in FDA actions compared to prior years.

Additionally, advertising and promotion of any product candidate that obtains approval outside of the U.S. will be heavily scrutinized by relevant foreign regulatory authorities.

Existing government regulations may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained or be subject to fines or enhanced government oversight and reporting obligations, which would adversely affect our business, prospects and ability to achieve or sustain profitability.

***Preliminary, initial, or interim results from clinical trials that we announce, present, or publish from time to time may change as more data and information become available (or are updated based upon audit, validation and verification procedures of the data/information commonly performed for clinical trials) that could result in material changes in the final trial results.***

From time to time, we may announce, present or publish preliminary, initial, or interim data or other information from our clinical trials, such as the initial Phase 1b data we announced from the Phase 1b/2a clinical trial of budoprutug in patients with ITP. Any such data and other results from our clinical trials may materially change as more patient data and information become available. Such data and information may also undergo significant change following subsequent auditing, validation and verification procedures that are commonly conducted in clinical trials. Thus, any preliminary, initial, or interim data or other information may not be predictive of final results from the clinical trial and should be viewed with caution until the final data are available. We may also arrive at different conclusions, or other determinations that may qualify such results, once we have received and fully evaluated the additional data.

Differences between preliminary, initial or interim results and final results could lead to significantly different interpretations or conclusions of the trial outcomes. Further, others, including regulatory authorities and collaboration or regional partners, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of our product candidates, the approvability or commercialization of our product candidates, and our business, in general. In addition, the information we choose to publicly disclose regarding a particular clinical trial is based on what is typically extensive information, and investors may not agree with what we determine is material or otherwise appropriate information to publicly disclose.

If the preliminary, initial or interim data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize our product candidates may be harmed, which could significantly harm our reputation, business, results of operations, financial condition and prospects.

***Nonclinical and clinical development involves a lengthy, complex and expensive process with an uncertain outcome. The outcome of nonclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and the results of our clinical trials may not satisfy the requirements of the FDA or comparable foreign regulatory authorities. Further, clinical development in immunology and autoimmune diseases presents inherent challenges, which may delay or impair our ability to demonstrate clinical benefit and obtain regulatory approval for our product candidates.***

To obtain the requisite regulatory approvals to commercialize our product candidates, we must demonstrate through extensive nonclinical studies and clinical trials that such product candidates are potent, safe and pure in humans to the satisfaction of the FDA. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain.

A product candidate can fail at any stage of testing, even after observing promising signs of activity in earlier nonclinical studies or clinical trials. The results of nonclinical studies and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. Initial success in clinical trials may not be indicative of results obtained when such trials are completed. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through nonclinical studies and initial clinical trials.

Further, clinical development in immunology and autoimmune diseases, including pMN, ITP, SLE, and IgAN, presents inherent challenges, such as heterogeneous disease courses, variable endpoints, competition to enroll patients in trials, background therapy effects, and long-duration studies, which may delay or impair our ability to demonstrate clinical benefit and obtain regulatory approval for our product candidates. Regulators may require additional studies, protocol modifications, or changes to endpoints, and guidance from regulators can evolve, which could affect our development plans and timing. Manufacturing scale-up, assay validation, and process comparability for biologics can also delay trials or approvals. Any delays could increase our costs, shorten any effective exclusivity periods we may obtain for a product candidate, and enable competitors to reach the market earlier than us, reducing commercial viability for our product candidates.

A number of companies in the biotechnology industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or emergence of unacceptable safety issues, notwithstanding promising results in earlier trials. Most product candidates that commence clinical trials are never approved and there can be no assurance that any of our future clinical trials will ultimately be successful or support further nonclinical or clinical development of our product candidates. Our success is dependent on the progress and outcomes of our development efforts, including our clinical trials of budoprutug for pMN, ITP and SLE, our clinical trial of the SC formulation of budoprutug, and our clinical trials of CLYM116. In addition, the commencement and rate of completion of nonclinical studies and clinical trials may be delayed by many factors, including:

- inability to generate sufficient nonclinical or other in vivo or in vitro data to support the initiation of clinical trials;
- nonclinical studies or clinical trials may show a product candidate to be less effective than expected (e.g., a clinical trial could fail to meet its primary endpoint(s)) or have unacceptable side effects or toxicities;
- failure to establish clinical endpoints that applicable regulatory authorities would consider clinically meaningful;
- delays in reaching agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- delays in identifying, recruiting and training suitable clinical investigators;
- differences in trial design between early-stage clinical trials and later-stage clinical trials make it difficult to extrapolate the results of earlier clinical trials to later clinical trials;
- delays in reaching a consensus with regulatory authorities on trial design and any nonclinical studies required in support of our product candidates and the potential for a delay in site initiations;
- delays in recruiting suitable patients to participate in our clinical trials;
- delays in manufacturing, testing, releasing, validating or importing/exporting sufficient stable quantities of our product candidates we may develop for use in nonclinical studies or clinical trials or the inability to do any of the foregoing;
- insufficient or inadequate supply or quality of our product candidates or other materials necessary for use in nonclinical studies or clinical trials, or delays in sufficiently developing, characterizing or controlling a manufacturing process suitable for such studies or trials;
- imposition of a temporary or permanent clinical hold by regulatory authorities;

- developments on trials conducted by competitors for related technology that raise FDA or foreign regulatory authority concerns about risk to patients of the technology broadly, or if the FDA or a foreign regulatory authority finds that the investigational protocol or plan is clearly deficient to meet its stated objectives;
- delays in recruiting, screening and enrolling patients and delays caused by patients withdrawing from clinical trials or failing to return for post-treatment follow-up;
- difficulty collaborating with patient groups and investigators;
- failure by our CROs, other third parties or us to adhere to clinical trial protocols;
- failure to perform in accordance with the FDA's or any other regulatory authority's good clinical practices (GCP) or applicable regulatory guidelines in other countries;
- occurrence of adverse events associated with any of our product candidates that are viewed to outweigh such product candidate's potential benefits, or occurrence of adverse events in trials of the same class of agents conducted by other companies;
- the cost of nonclinical studies and clinical trials of our product candidates being greater than we anticipate;
- clinical trials of our product candidates producing negative or inconclusive results, which may result in our deciding, or regulators requiring us, to conduct additional clinical trials or abandon development of such product candidate;
- imposition of a clinical hold by regulatory authorities as a result of a serious adverse event, or after an inspection of trial sites or manufacturing facilities or otherwise;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols;
- transfer of manufacturing processes to larger-scale facilities operated by a third-party CDMO and delays or failure by our CDMOs or us to make any necessary changes to such manufacturing process; and
- third parties being unwilling or unable to satisfy their contractual obligations to us.

Any inability to successfully initiate or complete nonclinical studies or clinical trials could result in additional costs to us or impair our ability to generate revenue from product sales. Clinical trial delays could also shorten any periods during which our products have patent protection and may allow our competitors to bring products to market before we do, which could impair our ability to successfully commercialize our product candidates and may seriously harm our business. 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.

For example, in December 2022, with the passage of the Food and Drug Omnibus Reform Act (FDORA), Congress required sponsors to develop and submit a diversity action plan (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. In June 2024, as mandated by FDORA, the FDA issued draft guidance outlining the general requirements for DAPs. On January 27, 2025, in response to an Executive Order issued on January 21, 2025, on Diversity, Equity and Inclusion programs, the FDA removed the draft DAP guidance from its website. Thereafter, following litigation, the FDA restored the draft DAP guidance to the FDA website but stated that "information on this page may be modified and/or removed in the future subject to the terms of the court's order and implemented consistent with applicable law." In light of these ongoing actions, there is considerable uncertainty surrounding the draft DAP guidance and how the FDA will consider DAPs in connection with its review of clinical studies.

If we seek to conduct clinical trials in foreign countries or pursue marketing approvals in foreign jurisdictions, we must comply with numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries and jurisdictions and may include all of the risks associated with FDA approval described above and risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ jurisdiction-to-jurisdiction from that required to obtain FDA approval. Approval by foreign regulatory authorities does not ensure approval by the FDA and, similarly, approval by the FDA does not ensure approval by regulatory authorities outside the U.S. Successful completion of clinical trials is a prerequisite to submitting a marketing application to foreign regulatory authorities or the FDA for each product candidate and, consequently, the ultimate approval and commercial marketing of any product candidate.

We may experience negative or inconclusive results, or regulators may be unwilling to accept nonclinical or clinical data obtained in foreign jurisdictions, which may result in our deciding, or our being required by regulators, to conduct additional clinical studies or trials or abandon some or all of our product development programs, which could harm our business.

In addition, the FDA 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, and our product development costs may increase if we experience delays in testing or marketing approvals. In addition, if we make manufacturing or other changes to our product candidates, we may need to conduct additional studies to bridge such new formulations to earlier versions. We do not know whether any of our clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. We may also decide to change the design or protocol of one or more of our clinical trials, which could result in delays.

***Our product candidates may cause adverse events or undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following any marketing approval.***

Certain adverse events and undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or pause clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign regulatory authorities. If undesirable side effects do occur in our future clinical trials they could cause delay or even discontinuance of further development of our product candidates, which would impair our ability to generate revenue and would have a material adverse effect on our business, results of operations, financial condition and cash flows and prospects.

As a result of undesirable side effects or further safety issues that we may experience in our clinical trials in the future, we may not receive approval to market our product candidates, which could prevent us from ever generating revenue or achieving profitability. Results of our trials could reveal an unacceptably high severity and prevalence of 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. The drug-related side effects could affect patient recruitment or the ability of enrolled subjects to complete the trial or result in potential product liability claims. Safety signals within APRIL/CD19 classes, including with respect to any products that may compete with our product candidates, could affect regulatory approval, labeling, or market uptake, if approved. Any of these occurrences may have a material adverse effect on our business, results of operations, financial condition and cash flows and prospects.

Additionally, if any of our product candidates receive marketing approval, and we, or others, later identify undesirable side effects caused by such product, a number of potentially significant negative consequences could result, including:

- we may be forced to suspend marketing of such product;
- regulatory authorities may withdraw their approvals of such product;
- regulatory authorities may require additional warnings on the label that could diminish the usage or otherwise limit the commercial success of such product;
- the FDA or other regulatory bodies may issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings about such product;
- the FDA may require the establishment or modification of a REMS or a comparable foreign regulatory authority may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of our products and impose burdensome implementation requirements on us;
- we may be required to change the way the product is administered or conduct additional clinical trials;
- we could be sued and held liable for harm caused to subjects or patients;
- we may be subject to litigation or product liability claims; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved.

***If we encounter difficulties enrolling or retaining patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.***

We may not be able to continue our ongoing clinical trials or initiate new clinical trials on a timely basis or at all if we are unable to recruit and enroll a sufficient number of eligible patients to participate in these trials through completion of such trials as required by the FDA or other comparable foreign regulatory authorities. Patient enrollment is a significant factor in the timing of clinical trials. Our ability to enroll eligible patients may be limited or may result in slower enrollment than we anticipate. There may be limited patient pools from which to draw for clinical trials.

The eligibility criteria of our clinical trials will further limit the pool of available study participants as we will require that patients have specific characteristics that we can measure or to assure their disease is either severe enough or not too advanced to include them in a study. Patient enrollment for our clinical trials may be affected by other factors, including:

- the patient eligibility criteria defined in the protocol;
- the size 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;
- the availability and efficacy of approved drugs for the disease under investigation, including the potential availability of drug candidates currently in development;
- perceived risks and benefits of the product candidate under study;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- competing clinical trials and clinicians' and patients' perceptions as to the potential advantages and risks of the product candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications that we are investigating;
- clinicians' willingness to screen their patients for biomarkers to indicate which patients may be eligible for enrollment in our clinical trials;
- our ability to obtain and maintain patient consents;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the risk that patients enrolled in clinical trials will drop out of the trials before completion.

In addition, our clinical trials may compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition would 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 in such clinical trial sites.

Our inability to enroll enough patients for our clinical trials would result in significant delays or might require us to abandon one or more clinical trials. Delays in patient enrollment may result in increased costs, affect the timing or outcome of our clinical trials, product candidate development and approval process and jeopardize our ability to seek and obtain the regulatory approval required to commence product sales and generate revenue, which could prevent completion of these trials, adversely affect our ability to advance the development of our product candidates, cause the value of our company to decline and limit our ability to obtain additional financing if needed. Furthermore, even if we can enroll enough patients for our clinical trials, we may have difficulty maintaining participation in our clinical trials through the treatment and any follow-up periods.

We are also required to register certain clinical trials and post the results of completed clinical trials on a government-sponsored database, such as www.ClinicalTrials.gov in the U.S., within certain time frames. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

***We could be subject to product liability lawsuits based on the use of our product candidates in clinical testing or, if obtained, following any such product's marketing approval and commercialization. Product liability lawsuits brought against us or any of our future collaborators could divert our resources and attention, require us to cease clinical testing, cause us to incur substantial liabilities or limit commercialization of our product candidates.***

We are exposed to potential product liability and professional indemnity risks that are inherent in the research, development, manufacturing, marketing and use of biotechnology products. Currently, we have no products that have been approved for commercial sale; however, the use of our product candidates by us and any collaborators in clinical trials may expose us to liability claims. We will face an even greater risk if a product candidate is approved by regulatory authorities and introduced commercially.

Product liability claims may be brought against us or our partners if any product candidate we develop allegedly causes injury or is found to be otherwise unsuitable for human use during product testing, manufacturing, marketing or sale. Any such product liability claim may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability and a breach of warranties.

Claims could also be asserted under state consumer protection acts. Such claims could be made by participants enrolled in our clinical trials, patients, health care providers, biotechnology companies, our collaborators or others using, administering or selling any of our future approved products. If we cannot successfully defend ourselves against any such claims, we may incur substantial liabilities or be required to limit commercialization of our product candidates, if approved. Even successful defense would require significant financial and management resources.

Regardless of the merits or eventual outcome, product liability claims may result in:

- decreased demand for any of our future approved products;
- injury to our reputation;
- withdrawal of clinical trial participants;
- termination of clinical trial sites or entire trial programs;
- significant litigation costs;
- substantial monetary awards to, or costly settlements with, patients or other claimants;
- product recalls or a change in the indications for which any approved drug products may be used;
- loss of revenue;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize our product candidates.

Although the clinical trial process is designed to identify and assess potential side effects, clinical development does not always fully characterize the safety and efficacy profile of a new medicine, and 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, 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 such product candidate. If any of our product candidates are approved for commercial sale, we will be highly dependent upon consumer perceptions of us and the safety and quality of such product. We could be adversely affected if we are subject to negative publicity associated with illness or other adverse effects resulting from physicians' or patients' use or misuse of any approved products or any similar products distributed by other companies.

Although we maintain product liability insurance coverage, including clinical trial liability, this insurance may not fully cover potential liabilities that we may incur. The cost of any product liability litigation or other proceeding, even if resolved in our favor, could be substantial. We will need to increase our insurance coverage if we commercialize any product that receives regulatory approval. In addition, insurance coverage is becoming increasingly expensive. If we are unable to maintain sufficient insurance coverage at an acceptable cost or to otherwise protect against potential product liability claims, it could prevent or inhibit the development and commercial production and sale of our product candidates, which could harm our business.

***We face significant competition in an environment of rapid technological change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer, less expensive or more advanced or effective than ours, which may harm our financial condition and our ability to successfully market or commercialize our product candidates.***

The development and commercialization of new drug products is highly competitive. Moreover, the field of immune-mediated diseases is characterized by rapidly changing technologies, significant competition, and a strong emphasis on intellectual property. We will face competition with respect to our product candidates from major pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies. 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 development, manufacturing, and commercialization.

There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing budoprutug or CLYM116. Some of these competitive products and therapies are based on scientific approaches that are similar to our approach, and others are based on entirely different approaches.

The competitive landscape for budoprutug includes multiple companies developing biologics and other modalities targeting CD19 for immune-mediated diseases. We are aware of several companies developing naked monoclonal antibodies, including Amgen Inc., which has an approved treatment, UPLIZNA (inebilizumab), for neuromyelitis optica spectrum disorder, immunoglobulin G4-related disease (IgG4-RD), and generalized myasthenia gravis (gMG), and IASO Biotherapeutics, Inc. (RD129/IASO782) in Phase 1 development for autoimmune disease. AbbVie Inc. is developing a CD19-targeting glucocorticoid receptor modulator antibody-drug conjugate (ABBV-319). Companies developing bispecific T-cell engagers or CD19 bifunctional monoclonal antibodies include but are not limited to, Cullinan Therapeutics, Inc. (CLN-978), Zenas BioPharma, Inc. (obexelimab), F. Hoffmann-La Roche Ltd. (RG6382) and Merck & Co., Inc. (CN201). Companies developing CD19 chimeric antigen receptor T-cell (CAR-T) and chimeric antigen receptor-natural killer (CAR-NK) therapies include but are not limited to Novartis AG (YTB323), Bristol Myers Squibb Company (BMS-986353), Cabaletta Bio, Inc. (CABA-201), Kyverna Therapeutics, Inc. (mivocabtagene autoleucel) and Nkarta, Inc. (NKX019).

The competitive landscape for CLYM116 includes, but is not limited to, companies developing biologics targeting APRIL or BAFF/APRIL for IgAN, such as Otsuka Pharmaceutical Co., Ltd. and Vera Therapeutics, Inc., which have approved treatments (VOYXACT (sibeprenlimab) and TRUTAKNA (atacicept), respectively), Novartis AG (zigakibart), Jade Biosciences, Inc. (JADE-101), and Vertex Pharmaceuticals Incorporated, which has submitted a BLA for FDA approval of povetacicept. In addition, companies targeting CD38, such as Biogen Inc. (felzartamab) and Takeda Pharmaceutical Company Limited (mezagitamab), companies developing degraders such as Biohaven, Ltd. (BHV-1400), and companies developing IgA sweeper antibodies such as argenx (ARGX-121) for IgAN are also potential competitors for CLYM116.

Many of our current or potential competitors, either alone or with their collaboration partners, may have significantly greater financial resources and expertise in research and development, manufacturing, conducting clinical trials, obtaining regulatory approvals, and marketing approved products. Mergers and acquisitions in the pharmaceutical, biotechnology, and gene therapy industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management consultants and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize product candidates that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than budoprutug or CLYM116, or that would render budoprutug or CLYM116 obsolete or non-competitive. Our competitors also may obtain FDA or other regulatory approval for their product candidates more rapidly than we may obtain approval for budoprutug and CLYM116, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, technologies developed by our competitors may render budoprutug or CLYM116 uneconomical or obsolete, and we may not be successful in marketing budoprutug or CLYM116 against competitors.

In addition, as a result of the expiration or successful challenge of our patent rights, we could face more litigation with respect to the validity or scope of patents relating to our competitors' products. The availability of our competitors' products could limit the demand, and the price we are able to charge, for budoprutug or CLYM116.

If we successfully obtain approval for budoprutug or CLYM116, we believe that the key competitive factors that will affect the success of these candidates will be efficacy, safety, tolerability, convenience, price and the availability of reimbursement from

government and other third-party payors relative to such competing products. Our commercial opportunity could be reduced or eliminated if our competitors have products that are superior in one or more of these categories.

***Drug development is highly uncertain, and if we are unable to successfully develop and commercialize our product candidates, or experience significant delays in doing so, our business may be harmed.***

Drug development is a highly uncertain undertaking and involves a substantial degree of risk. For example, previously we paused or discontinued the development of all of our legacy product candidates for the treatment of neuronal excitability disorders, including ETX-155 and ETX-123, which were still in drug discovery stages, and we may not ever obtain regulatory approval for our product candidates. In addition, as a company, we have no prior experience developing biological product candidates. As such, we may encounter delays or difficulties in our efforts to develop and commercialize budoprutug and CLYM116.

To date, we have not initiated or completed a pivotal clinical trial, obtained marketing approval for any product candidate, manufactured a commercial scale product or arranged for a third party to do so on our behalf, or conducted the sales and marketing activities necessary for successful product commercialization. Our short operating history as a company makes any assessment of our future success and viability subject to significant uncertainty.

We will encounter risks and difficulties frequently experienced by early-stage biotechnology companies in rapidly evolving fields, and we have not yet demonstrated an ability to successfully overcome such risks and difficulties. If we do not address these risks and difficulties successfully, our business may be harmed.

***Our estimates of market opportunity and forecasts of market growth for our product candidates may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business may not grow at similar rates, or at all.***

Our market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates which may not prove to be accurate. We currently focus our research and product development on budoprutug for the treatment of pMN, ITP, and SLE and on CLYM116 for the treatment of IgAN. Our understanding of the patient populations with these diseases is based on estimates in published literature.

These estimates, and our estimates and forecasts relating to size and expected growth based on these estimates, may prove to be incorrect and new studies may reduce the estimated incidence or prevalence of these diseases.

The number of patients in the U.S. and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with budoprutug or CLYM116, or patients may become increasingly difficult to identify and access. Even if the patient populations meet our size estimates and growth forecasts, our business may not grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties.

Our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval, the accepted price for our product candidates, the ability to obtain coverage and reimbursement, the ability to gain market share and whether we own the commercial rights for that territory. If the number of addressable patients is not as significant as we estimate, the indication approved by regulatory authorities is narrower than we expect or the treatment population is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of our product candidates, even if approved. Further, there are several factors that could contribute to making the actual number of patients who receive our product candidates less than the potentially addressable market. These include the lack of widespread availability of, and limited reimbursement for, new therapies in many underdeveloped markets.

***We have no experience in sales, marketing and distribution and may have to enter into agreements with third parties to perform these functions, which could prevent us from successfully commercializing our product candidates.***

We currently have no sales, marketing or distribution capabilities. To commercialize our product candidates, we must either develop our own sales, marketing and distribution capabilities or make arrangements with third parties to perform these services for us. If we decide to market or distribute our product candidates on our own, we will have to commit significant resources to developing a marketing and sales force and supporting distribution capabilities. If we decide to enter into arrangements with third parties for performance of these services, we may find that they are not available on terms acceptable to us, or at all. If we are not able to establish and maintain successful arrangements with third parties or build our own sales and marketing infrastructure, we may not be able to commercialize our product candidates, which would adversely affect our business, results of operations, financial condition and cash flows and prospects.

***Disruptions at the FDA and other government agencies from funding cuts, personnel losses, regulatory reform, government shutdowns and other developments could hinder our ability to obtain guidance from the FDA regarding our clinical development program and develop and secure approval of our product candidates in a timely manner, which would negatively impact our business.***

Disruptions at the FDA and other agencies, including workforce changes, budget constraints, regulatory reform, government shutdowns, or public health emergencies could delay inspections, guidance from the FDA, and application review, which could hinder our ability to secure approval of our product candidates in a timely manner. Even with the user-fee program established under the PDUFA, resource constraints could delay PDUFA dates, and changes in government policy or enforcement priorities may alter review practices and post-approval obligations with respect to the FDA or other comparable regulatory agencies.

The FDA and comparable regulatory agencies in foreign jurisdictions, such as the EMA and Committee for Medicinal Products for Human Use (CHMP), play an important role in the development of our product candidates by providing guidance on our clinical development programs and reviewing our regulatory submissions, including INDs, requests for special designations and marketing applications. If these oversight and review activities are disrupted, then correspondingly our ability to develop and secure timely approval of our product candidates could be impacted in a negative manner.

For example, the recent loss and retirement of FDA leadership and personnel could lead to disruptions and delays in FDA guidance, review and approval of our product candidates. The current presidential administration has substantially reduced the FDA's workforce and may make further reductions, which may lead to disruptions and delays in the FDA's review and oversight of our product candidates and impact the FDA's ability to provide timely feedback on our development programs. Reductions in the FDA's review or inspection divisions could extend review timelines, delay or prevent pre-approval inspections and limit opportunities for FDA feedback on pending applications. In addition, there were several reports in 2025 of the FDA failing to meet its PDUFA goal dates for action on a new drug application (NDA) or BLA due to limited resources. Any of these factors may delay or limit our ability to obtain FDA approval and commercialize our product candidates.

There is also substantial uncertainty as to how regulatory reform measures being implemented by the Trump Administration across the government will impact the FDA and other federal agencies with jurisdiction over our activities. For example, since taking office, the President has issued a number of executive orders that could have a significant impact on the manner in which the FDA conducts its operations and engages in regulatory and oversight activities. If these or other orders or executive actions impose constraints on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable. Over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions and could impact our ability to access the public markets and obtain necessary capital in order to continue our operations.

At the same time, disruptions at the FDA and other government agencies may result from public health events similar to the COVID-19 pandemic. For example, during the pandemic, a number of companies announced receipt of Complete Response Letters due to the FDA's inability to complete required inspections for their applications. In the event of a similar public health emergency in the future, the FDA may not be able to continue its current pace and review timelines could be extended. Regulatory authorities outside the U.S. facing similar circumstances may adopt similar restrictions or other policy measures in response to a similar public health emergency and may also experience delays in their regulatory activities.

Accordingly, if any of the foregoing developments and others impact the ability of the FDA to provide us with guidance regarding our clinical development programs or delay the FDA's review and processing of our regulatory submissions, including INDs, NDAs, and BLAs, our business would be negatively impacted. Further, any future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

**Risks Related to Legal and Regulatory Compliance**

***Enacted and future legislation may increase the difficulty and cost for us to obtain marketing approval and commercialize our product candidates, if and when approved, and may affect the prices we may charge for such product candidates, if and when approved.***

The U.S. and many foreign jurisdictions have enacted or proposed legislative and regulatory changes affecting the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product for which we obtain marketing approval.

In March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, collectively, the Affordable Care Act (ACA), was enacted, which includes measures that have significantly changed the way health care is financed by both governmental and private insurers. There have been executive, judicial and congressional challenges to certain aspects of the ACA. For example, on June 17, 2021, the U.S. Supreme Court dismissed a judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, in August 2011, the Budget Control Act of 2011 was signed into law, which, as amended, generally includes a 2% reduction in Medicare payments to providers from April 1, 2013 until 2032 unless Congress takes additional action.

Recently, there has been increasing legislative and enforcement interest in the U.S. with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. presidential executive orders, congressional inquiries and legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for drugs.

On August 16, 2022, the Inflation Reduction Act (IRA) was signed into law by former President Biden. The legislation has implications for Medicare Part D, which is a program available to individuals who are entitled to Medicare Part A or enrolled in Medicare Part B to give them the option of paying a monthly premium for outpatient prescription drug coverage.

Among other things, the IRA requires the federal government to negotiate Medicare prices with manufacturers of certain drugs, beginning in 2023 with the first negotiated prices taking effect 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 (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (that began in 2025). 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. The Centers for Medicare & Medicaid Services (CMS) may negotiate prices for ten high-cost drugs to be paid by Medicare Part D starting in 2026, 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 nine years and biologics that have been licensed for 13 years. Drugs and biologics that have been approved for a single rare disease or condition were originally categorically excluded from price negotiation. With passage of the One Big Beautiful Bill Act on July 3, 2025, which was signed into law on July 4, 2025, Congress extended this exemption to drugs and biologics with multiple orphan drug designations.

Since CMS may establish a maximum price for these products in price negotiations, we would be fully at risk of government action if any of our product candidates are the subject of Medicare price negotiations. Given this risk, these provisions of the IRA may also further heighten the risk that we would not be able to achieve the expected return on any product candidate, if approved, or the full value of our patents protecting any such approved drug products if prices are set after any such approved products have been on the market for nine years.

The first cycle of negotiations for the Medicare Drug Price Negotiation Program commenced in the summer of 2023 and the prices of the ten drugs that were the subject of these negotiations became effective January 1, 2026. The second cycle of negotiations with participating drug companies occurred during 2025, and any negotiated prices for this second set of drugs will be effective starting January 1, 2027. The third cycle of negotiations with participating drug companies occurred this year and the negotiated prices for this third set of drugs will be effective starting January 1, 2028.

Further, drug manufacturers may be subject to an excise tax for failing to participate in price negotiations or charging more than the negotiated “maximum fair price” and civil money penalties for not complying with the terms of the program. In addition to the drug

price negotiation program, the IRA established inflation rebate programs under Medicare Part B and Part D. These programs require manufacturers to pay rebates to Medicare if they raise their prices for certain Part B and Part D drugs faster than the rate of inflation. On December 9, 2024, with issuance of its 2025 Physician Fee Schedule final regulation, CMS finalized its rules governing the IRA inflation rebate programs. The new law also caps annual Medicare out-of-pocket drug costs, with the cap set at $2,100 for 2026.

On June 6, 2023, Merck & Co. filed a lawsuit against the HHS and CMS asserting that, among other things, the IRA's Drug Price Negotiation Program for Medicare constitutes an uncompensated taking in violation of the Fifth Amendment of the Constitution. Subsequently, a number of other pharmaceutical manufacturers and the pharmaceutical industry association filed additional lawsuits challenging the program on various constitutional and statutory grounds. Every court that has thus far considered substantive challenges to the Medicare drug price negotiation program has ruled against the pharmaceutical industry, dismissing both constitutional and statutory arguments. For example, on May 8, 2025, the U.S. Court of Appeals for the Third Circuit rejected AstraZeneca L.P.'s challenge to the Medicare Drug Price Negotiation Program, finding that the program did not violate the company's due process rights under the Constitution since there is no protected property interest in selling goods to Medicare beneficiaries at a price higher than what the government is willing to pay in reimbursement.

We expect that litigation involving these and other provisions of the IRA will continue, with unpredictable and uncertain results. Accordingly, we cannot predict with certainty what impact any federal or state health reforms will have on us, but such changes could impose new or more stringent regulatory requirements on our activities or result in reduced reimbursement for our products, any of which could adversely affect our business, results of operations and financial condition.

In addition, the Trump Administration has taken a number of actions to reduce the costs of pharmaceutical products. For example, on April 15, 2025, President Trump issued an Executive Order which directs HHS to take steps to reduce the prices of pharmaceutical products. Such measures include accelerating competition for high-cost prescription drugs by accelerating approval of generics and biosimilars and streamlining the state drug importation program. Further, on May 12, 2025, President Trump issued an additional Executive Order calling on pharmaceutical manufacturers to voluntarily reduce the prices of medicines in the U.S. The Order provides that if such actions do not lower the costs of pharmaceuticals, the Secretary of HHS would pursue other actions, including proposing a rulemaking that imposes most-favored-nation (MFN) pricing in the U.S. In the wake of the Executive Orders and related executive initiatives, a number of pharmaceutical manufacturers announced direct-to-consumer offerings with discounted prices and/or reached agreement with the federal government regarding pricing for drugs, including prices for Medicaid drugs and newly launched products. The Great Healthcare Plan, announced in January of 2026, calls for codification of the MFN pricing deals. In April of 2026, the President issued an Executive Order that establishes tariffs on certain imported patented pharmaceuticals and offers relief from such tariffs to pharmaceutical manufacturers that have entered into agreements with the federal government that commit to most-favored nation pricing and onshoring of research and manufacturing operations. On February 5, 2026, President Trump launched TrumpRx.gov, a website that directs individuals to pharmaceutical manufacturer websites that are offering price discounts based on the Trump Administration's pricing agreements with pharmaceutical manufacturers and lists prices for generic drugs.

Federal agencies are also developing new drug pricing pilot programs, such as the GENEROUS model, which authorizes the federal government to negotiate Medicaid supplemental rebates with participating manufacturers on behalf of state Medicaid programs, in exchange for standardized coverage criteria for participating manufacturer drugs, and the Medicare Part B (GLOBE model) pilot model that will provide an alternative to existing inflation-based Medicare rebates, with rebates determined on the basis of international prices for drugs and patients subject to the model. A similar pilot model for Medicare Part D (GUARD model) was announced in December 2025 but has yet to be finalized.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare organizations 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 healthcare programs.

These measures could reduce the ultimate demand for our product candidates, if and when approved, and any other products we may develop, 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 especially 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. In the EU, similar political, economic and regulatory developments may affect our ability to profitably commercialize our product candidates, if and when approved, and any other products we may develop.

In markets outside of the U.S. and the EU, reimbursement and healthcare payment systems vary significantly by country and many countries have instituted price ceilings on specific products and therapies. In many countries, including those of the EU, 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 expect that the healthcare reform measures that have been adopted and may be adopted in the future may result in more rigorous coverage criteria and additional downward pressure on the price that we receive for any approved product and could seriously harm our future revenues. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our products.

***Our business operations and current and future relationships with investigators, health care professionals, consultants, third-party payors and customers will be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws and other healthcare laws and regulations. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.***

Healthcare providers and others play a primary role in the recommendation and prescription of any products for which we obtain marketing approval. Although we do not currently have any products on the market, our operations may be, directly or indirectly through our prescribers, customers and third-party payors, subject to various U.S. federal and state healthcare laws and regulations.

These laws may impact, among other things, our current and future business operations, including our clinical research activities and proposed sales, marketing and education programs and constrain the business of financial arrangements and relationships with healthcare providers and other parties through which we may market, sell and distribute our products for which we obtain marketing approval. In addition, we may be subject to additional healthcare, statutory and regulatory requirements and enforcement by foreign regulatory authorities in jurisdictions in which we conduct our business. The laws that may affect our ability to operate include the following (some of which may apply only if and when we have a marketed product):

- the U.S. federal Anti-Kickback Statute, which makes it illegal for any person or entity, including a prescription drug manufacturer (or a party acting on its behalf), to knowingly and willfully solicit, receive, offer or pay any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual, or the purchase, lease, order, arrangement, or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal civil and criminal false claims laws, including the False Claims Act (FCA), which can be enforced through "qui tam" or "whistleblower" actions, and civil monetary penalty law, which impose criminal and civil penalties against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid, or other federal health care programs that are false, fictitious or fraudulent; knowingly making, using, or causing to be made or used, a false record or statement material to a false, fictitious or fraudulent claim or an obligation to pay or transmit money or property to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing or concealing such an obligation to pay money to the federal government. In addition, a claim that includes items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim under the FCA;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended, which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also establishes requirements related to the privacy, security, and transmission of individually identifiable health information which apply to many healthcare providers with whom we interact;

- the U.S. federal Physician Payments Sunshine Act and its implementing regulations, which require certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program to report annually to the CMS, an agency within the HHS under the Open Payments Program, information related to direct or indirect payments and other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other health care professionals (such as physician assistants and nurse practitioners), and teaching hospitals, as well as information regarding ownership and investment interests held by physicians and their immediate family members;
- U.S. federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;
- U.S. state consumer privacy and consumer health privacy laws;
- analogous U.S. state laws and regulations, including state anti-kickback and false claims laws that may apply to items or services reimbursed by any third-party payor, including commercial insurers;
- state laws that require pharmaceutical companies to comply with specific compliance standards, restrict financial interactions between pharmaceutical companies and healthcare providers or require pharmaceutical companies to report information related to payments to healthcare providers or marketing expenditures; state laws that require pharmaceutical companies to file reports relating to pricing and marketing information; and state and local laws requiring the registration of pharmaceutical sales representatives; and
- European and other foreign law equivalents of each of the laws, including reporting requirements detailing interactions with and payments to healthcare providers.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. If and when one of our product candidates is approved, our compliance efforts will need to expand and evolve to address newly applicable laws. Given the breadth of the laws and regulations, limited guidance for certain laws and regulations and evolving government interpretations of the laws and regulations, governmental authorities may conclude that our business practices are non-compliant.

It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from U.S. government funded healthcare programs, such as Medicare and Medicaid, or similar programs in other countries or jurisdictions, disgorgement, imprisonment, contractual damages, reputational harm, diminished profits, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and the delay, reduction, termination or restructuring of our operations. Further, defending against any such actions can be costly and time-consuming, and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

If any of the physicians or other providers or entities with whom we expect to do business is found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment. If any of the above occur, it could adversely affect our ability to operate our business and our results of operations.

Actual or alleged non-compliance by us could result in investigations, significant civil or criminal penalties, exclusion of our company from government programs, reputational harm, and operational restrictions. Non-compliance could adversely affect our ability to operate our business and our results of operations.

***We are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation, including class claims, and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences.***

We process personal data and other sensitive data, including health data we collect about participants in connection with our clinical trials, proprietary and confidential business data, trade secrets, intellectual property, and sensitive third-party data. Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards,

external and internal privacy and security policies, contracts, and other obligations that govern the processing of personal data by us and on our behalf.

In the U.S., federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, and consumer protection laws. These privacy laws include, without limitation, the following laws and regulations:

- Section 5 of the Federal Trade Commission Act;
- HIPAA, as amended by the HITECH Act (which imposes specific requirements relating to the privacy, security and transmission of individually identifiable health information that apply to most U.S. healthcare providers with which we interact, such as our U.S. clinical study sites); and
- The California Consumer Privacy Act of 2018 (CCPA), as amended by the California Privacy Rights Act (CPRA), applies to personal information of consumers, business representatives, and employees, and requires businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights.

In addition to California, many other states have passed comprehensive privacy laws similar to the CCPA and CPRA, which create obligations related to the processing of personal information, as well as special obligations for the processing of "sensitive" data (which includes health data). These state laws impose obligations on businesses to which they apply, including requirements to conduct data processing risk assessments, to enter into data processing agreements with vendors and other third-parties with whom a business shares personal information, and to make detailed disclosures to residents of those states about the business' data collection, use and sharing practices. Many of these state laws also allow for statutory fines for noncompliance. To the extent they are applicable to our business and operations, these laws may increase compliance costs and potential liability with respect to other personal information we maintain about residents of these states. We expect other states will be considering similar 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.

Additional data privacy and security laws have been proposed and enacted at the federal, state and local levels in recent years, which could further complicate compliance efforts. Such restrictions may affect our ability to engage in collaborations or license agreements with entities in restricted countries or with a nexus to such countries going forward.

Outside the U.S., an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, the EU's General Data Protection Regulation and the equivalent law in the U.K. (together the GDPR) impose strict requirements for processing the personal data of individuals, including sensitive data that we may process such as health data, including health data collected from subjects enrolled in our clinical trials at sites located in the EU. Under the EU GDPR, government regulators may impose temporary or definitive bans on data processing, as well as fines of up to 20 million euros or 4% of annual global revenue, whichever is greater. Further, individuals may initiate litigation related to our processing of their personal data. The EU, U.K. and certain other foreign jurisdictions have enacted data localization laws and cross-border personal data transfer laws, which could make it more difficult to transfer information across jurisdictions, such as transferring or receiving personal data that originates in the EU. Additional jurisdictions have enacted and continue to enact and modify their data privacy laws, which increases the complexity of the data privacy landscape.

We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the GDPR and the CCPA, require our customers to impose specific contractual restrictions on their service providers. We publish privacy policies regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, consumer litigation, enforcement actions by regulators or other adverse consequences. Our obligations related to data privacy and security are quickly changing in an increasingly stringent fashion, creating some uncertainty as to the effective future legal framework. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or in conflict among jurisdictions. Preparation for and compliance with these obligations requires us to devote significant resources. These obligations may necessitate changes to our information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. Although we try to comply with all applicable data privacy and security obligations, we may at times fail (or be perceived as having failed). Despite our efforts, our personnel or third parties upon whom we rely may fail to comply with such obligations, which could negatively impact our business operations and compliance posture.

If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with data privacy and security obligations, we could face significant consequences. These consequences may include, but are not limited to, government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation, including class-related claims, and mass

arbitration demands; additional reporting requirements and oversight; bans on processing personal data; and orders to destroy or not use personal data.

Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations, including our clinical trials; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our product candidates; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or revision or restructuring of our operations.

***We have sought and received Fast Track designation for budoprutug and may in the future seek additional designations for our product candidates, including Breakthrough Therapy, Fast Track and Priority Review designations in the U.S., and PRIority MEdicines (PRIME) Designation in the EU, 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 have received and may in the future seek certain designations for 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 review 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 review product may be effective.

We have received Fast Track designation for budoprutug for the treatment of pMN and may seek Fast Track designation for budoprutug in other indications or for other of our product candidates, but such designation may not lead to a faster development or regulatory review and approval process or increase the likelihood that such product candidate will receive regulatory approval.

We may also seek a Priority Review designation for our product candidates. If the FDA determines that a product candidate offers major advances in treatment or provides a treatment where no adequate therapy exists, the FDA may designate the product candidate for priority review. A Priority Review designation means that the goal is for the FDA to review an application for marketing approval in six months, rather than the standard review period of 10 months. On June 17, 2025, the FDA announced the creation of a new voucher program to expedite the development and approval of new drug products. Vouchers issued under the new program, which is known as the Commissioner's National Priority Voucher (CNPV) Program, may be redeemed by sponsors to shorten the review time of an NDA or BLA from approximately 10 to 12 months to potentially as short as one to two months. The FDA has indicated that the CNPV Program will convene experts from the FDA's offices for a team-based review rather than using the standard review system of a drug application being sent to numerous FDA offices. Clinical information will be reviewed by a multidisciplinary team of physicians and scientists who will pre-review the submitted information and convene for a one-day meeting. The FDA has issued more than 20 vouchers and approved numerous products under this program. However, there have been significant changes in FDA's senior leadership since the launch of the CNPV Program, and industry stakeholders have raised concerns regarding the CNPV Program. Consequently, we do not know whether or under what circumstances FDA may continue to award vouchers or grant approvals under the CNPV Program.

These designations are within the discretion of the FDA. Accordingly, even if we believe that our product candidates meet 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 product candidates considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if our product candidates qualify for these designations, the FDA may later decide that such product candidate no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

In the EU, we may seek PRIME designation for our product candidates. The PRIME program focuses on product candidates that target conditions for which there exists no satisfactory method of treatment in the EU, or even if such a method exists, the product

candidate may offer a major therapeutic advantage over existing treatments. To be accepted for PRIME designation, 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 of the CHMP 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 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 our 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 pursue accelerated approval (U.S.) or conditional authorization (EU) of our product candidates based on surrogate endpoints or limited datasets, but regulators can require pre-approval readiness (e.g., confirmatory trials underway), extensive post-approval commitments, labeling controls, and can withdraw approvals if benefit is not verified or safety/efficacy concerns arise. Accelerated/conditional pathways do not guarantee faster overall timelines or ultimate full approval. 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 for accelerated approval or any other form of expedited development, review or approval for our 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.

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, 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 the FDA every six months until the study is completed. Moreover, FDORA established expedited procedures authorizing the 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 of the

FDA 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 of our product candidates that qualify 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 latest thinking 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. Even if we do receive accelerated approval, we may not experience a faster development or regulatory review or approval process, and receiving accelerated approval does not provide assurance of ultimate full FDA 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 have received orphan drug designation for budoprutug for the treatment of pMN, but we may be unable to realize the benefits associated with orphan drug designation, including market exclusivity.***

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 in the U.S., or a patient population greater than 200,000 in the U.S. when there is no reasonable expectation that the cost of developing and making available the drug or biologic in the U.S. will be recovered from sales in the U.S. for that drug or biologic. In order to obtain orphan drug designation, the request must be made before submitting a BLA.

In the U.S., orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and user-fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval of that particular product for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a BLA, to market the same biologic (meaning, a product with the same principal molecular structural features) for the same indication for seven years, except in limited circumstances such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. As a result, even if budoprutug receives orphan exclusivity, the FDA can still approve other biologics that do not have the same principal molecular structural features for use in treating the same indication or disease or the same biologic for a different indication or disease during the exclusivity period. Furthermore, the FDA can waive orphan exclusivity if we are unable to manufacture a sufficient supply of budoprutug or if a subsequent sponsor demonstrates clinical superiority over budoprutug.

The FDA granted orphan drug designation to budoprutug for the treatment of pMN. We may seek orphan drug designation for budoprutug in other specific orphan indications in which there is a medically plausible basis for the use of budoprutug and we may also seek orphan drug designation for CLYM116 or any future product candidates. We may never receive such designations. In addition, even with orphan drug designation, exclusive marketing rights in the U.S. may be limited if we seek approval for an indication broader than the orphan designated indication and may be lost if the FDA later determines that the request for designation was materially defective or if we are unable to assure sufficient quantities of our product candidates to meet the needs of patients with the rare disease or condition, or if a subsequent sponsor demonstrates clinical superiority over our product candidates, if approved.

***If approved, our product candidates regulated as biologics may face competition from biosimilars approved through an abbreviated regulatory pathway.***

If our product candidates regulated as biologics are approved, they may face biosimilar competition, which could reduce our pricing power with respect to such product candidate and market share. Future legislative or regulatory changes in the U.S. or EU could

shorten data exclusivity periods and affect our commercial prospects. Substitution dynamics, payer policies, and evolving guidance from the FDA or EMA could introduce uncertainty that may increase competitive pressure and compress net pricing.

The Biologics Price Competition and Innovation Act of 2009 (BPCIA) created an abbreviated approval pathway for biologic products that are biosimilar to or interchangeable with an FDA-licensed reference biologic product. Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. 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 regulatory 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 nonclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity, and potency of the other company's product.

In December 2022, Congress clarified through the FDORA, that the FDA may approve multiple first interchangeable biosimilar biological products so long as the products are all approved on the same first day on which such a product is approved as interchangeable with the reference product and the exclusivity period may be shared amongst multiple first interchangeable products. More recently, in October 2023, the FDA issued its first interchangeable exclusivity determination under the BPCIA.

We believe that any of our product candidates, if approved as a biologic product under a BLA, should qualify for the 12-year period of exclusivity. Nonetheless, the approval of biosimilar products referencing our product candidates would have a material adverse impact on our business due to increased competition and pricing pressures. Moreover, there is a risk that any exclusivity we do receive could be shortened due to congressional action or otherwise, or that the FDA will not consider our products to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation.

The extent to which a biosimilar, once licensed, will be substituted for any of our product candidates 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 any of our product candidates, such product may become subject to competition from such biosimilars, with the attendant competitive pressure and consequences. The ultimate impact, implementation, and meaning of the BPCIA are subject to uncertainty, and any new regulations, guidance, policies or processes adopted by the FDA to implement the law could have a material adverse effect on the future commercial prospects for our product candidates.

For example, in October 2025, the FDA issued draft guidance which proposes to eliminate the need for sponsors of biosimilar products to conduct comparative human clinical efficacy studies, allowing them to rely instead on analytical testing to demonstrate product differences from a reference product. In March 2026, the FDA issued another draft guidance with additional recommendations that are intended to streamline the development requirements for licensure of biosimilars.

In addition, foreign regulatory authorities may change their approval policies and new regulations may be enacted relating to non-patent exclusivity. For example, the European Commission launched a review of EU pharmaceutical legislation in November 2020. On December 11, 2025, the European Parliament and Council reached a provisional political agreement on the legislation. On September 18, 2026, the European Council, consisting of government ministers of the Member States, adopted the proposed legislative reform. For the legislative proposal to enter into force, it must now be formally adopted by the European Parliament and subsequently published in the EU's Official Journal. Once published, the new rules will be subject to a two-year transition period before they become fully applicable. The package constitutes a far-reaching reform of the EU's pharmaceutical legislation and seeks to promote fair access to safe, effective, and affordable medicines throughout the EU. Key changes include updating regulatory data exclusivity to a new system with 8 years data exclusivity and a reduced market exclusivity period to 1 year, which can be extended if specific conditions are fulfilled. When the legislation is finalized in line with the current legislative text, it will have a profound impact on the pharmaceutical industry in the EU.

***We conduct clinical trials at sites outside the U.S. The FDA may not accept data from trials conducted in such locations, and the conduct of trials outside the U.S. could subject us to additional delays and expense.***

We conduct and may conduct future clinical trials with trial sites that are located outside the U.S. The acceptance by the FDA or other regulatory authorities of trial data from clinical trials conducted outside their jurisdiction may be subject to certain conditions or may not be accepted at all. Trials outside the U.S. also present operational risks, including complying with local regulations, foreign exchange rate risk, potentially more limited IP protection, and geopolitical risks that can add cost and delay to conducting clinical trials. For example, in cases where data from foreign clinical trials are intended to serve as the sole basis for marketing approval in the U.S., the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S.

population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations; and (iii) the data may be considered valid without the need for an on-site inspection by the FDA, or if the FDA considers such inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means.

In addition, even where the foreign trial data are not intended to serve as the sole basis for approval, the FDA will not accept the data as support for an application for marketing approval unless the trial is well-designed and well-conducted in accordance with GCP requirements and the FDA is able to validate the data from the trial through an onsite inspection if deemed necessary.

Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U.S. or the applicable jurisdiction.

If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in our product candidates not receiving approval for commercialization in the applicable jurisdiction. Conducting clinical trials outside the U.S. will also expose us to additional risks, including risks associated with:

- additional foreign regulatory requirements;
- foreign exchange fluctuations;
- compliance with foreign manufacturing, customs, shipment and storage requirements;
- cultural differences in medical practice and clinical research;
- diminished protection of intellectual property in some countries; and
- interruptions or delays in our trials resulting from geopolitical events, such as war or terrorism.

***Our failure to obtain regulatory approval in foreign jurisdictions would prevent us from marketing our product candidates outside the U.S.***

If we succeed in developing our product candidates, we intend to market them in foreign jurisdictions in addition to the U.S. In order to market and sell products in other 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 regulatory approval process outside the U.S. generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the U.S., we must secure product pricing and approvals before regulatory authorities will approve the product for sale in that country. Obtaining foreign regulatory approvals and compliance with foreign 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.

Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries and regulatory approval in one country does not ensure approval in any other country, while a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory approval process in others. If we fail to obtain approval of any of our product candidates by regulatory authorities in another country, we will be unable to commercialize any such product in that country, and the commercial prospects of that product candidate and our business prospects could decline. In addition, failure to obtain regulatory approval in one country or region could adversely affect future regulatory approvals in other countries.

Further, in many countries outside the U.S., 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 any of our product candidates.

In addition, if we fail to obtain the non-U.S. approvals required to market any of our product candidates outside the U.S. 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 such product candidate will be harmed and our business, financial condition, results of operations and prospects may be adversely affected.

Additionally, we could face heightened risks with respect to obtaining marketing authorization in the U.K. as a result of the withdrawal of the U.K. from the EU, commonly referred to as Brexit. As of January 1, 2025, the Medicines and Healthcare Products Regulatory Agency (MHRA), is responsible for approving all medicinal products destined for the U.K. market (i.e., Great Britain and Northern Ireland), and the EMA will no longer have any role in approving medicinal products destined for Northern Ireland. The MHRA relies on the Human Medicines Regulations 2012 (SI 2012/1916), as amended (HMR) as the basis for regulating medicines. The HMR has incorporated into domestic law the body of EU law instruments governing medicinal products that pre-existed prior to Brexit.

In the U.K., clinical trials of medicinal products are primarily governed by the Medicines for Human Use (Clinical Trials) Regulations 2004, as amended (the U.K. Regulations). The U.K. Regulations sought to implement the Directive 2001/20/EC while the U.K. was a member state of the EU. Since the CTR was not in force in the EU at the time when the U.K. exited the EU, it was not retained in U.K. law on exit day under the terms of the European Union (Withdrawal) Act 2018. Building on the foundation of the 2004 Regulations, the Medicines for Human Use (Clinical Trials) (Amendment) Regulations 2025, enacted under the Medicines and Medical Devices Act 2021, establish a modernized framework for clinical trials in the U.K. and came into operation on April 28, 2026. The regime streamlines approvals, introduces binding timelines, and enhances transparency and participant protections, aligning U.K. requirements with international standards.

As of January 1, 2024, a new international recognition procedure (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 (RRs). The RRs notably include the EMA and regulators in the European Economic Area 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.). The RR assessment must have undergone a full and standalone review, and RR assessments based on reliance or recognition cannot be used to support an IRP application. A CHMP positive opinion or a Mutual Recognition/Decentralised Reliance Procedure positive end of procedure outcome is an RR authorization for the purposes of IRP.

**Risks Related to our Dependence on Third Parties**

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

We rely, and expect to continue to rely, on third-party CROs to conduct, supervise, and monitor our future nonclinical studies and clinical trials for our product candidates, and we do not currently plan to independently conduct nonclinical studies or future clinical trials of any other potential product candidates. While we have agreements governing their activities, we have limited influence over their actual performance and control only certain aspects of their activities. The failure of these third parties to successfully carry out their contractual duties or meet expected deadlines could substantially harm our business because we may not obtain marketing approval for or commercialize our product candidates in a timely manner or at all. Moreover, these agreements might terminate for various reasons, including a failure to perform by the third parties. If we need to enter into alternative arrangements, product development activities may be delayed and such delays may harm our business.

Delays, errors, or non-performance from our CROs, CDMOs, and other third parties could delay the development, regulatory review, or commercialization of our product candidates. Our reliance on third parties for development activities will reduce our control over these activities. Nevertheless, we are responsible for ensuring that each of our studies and clinical trials is conducted in accordance with the applicable protocol, legal, regulatory and scientific standards, and our reliance on CROs does not relieve us of our regulatory responsibilities. Moreover, the FDA and comparable foreign regulatory authorities require us to comply with GCPs for conducting, monitoring, recording, and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity, and confidentiality of trial participants are protected. As a clinical trial sponsor, we will also have regulatory requirements that directly apply to us. Regulatory authorities enforce these requirements through periodic inspections of trial sponsors, clinical investigators, and trial sites. If we or any of our CROs fail to comply with applicable GCPs, we or our CROs may be subject to enforcement or other legal actions, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials.

In addition, if and when we have an approved product, we will be required to report certain financial interests of our third-party investigators if these relationships exceed certain financial thresholds or meet other criteria. The FDA and comparable foreign regulatory authorities may question the integrity of the data from those clinical trials conducted by investigators who previously served or currently serve as scientific advisors or consultants to us from time to time and receive cash compensation in connection with such services or otherwise receive compensation from us that could be deemed to impact study outcome, proprietary interests in a product candidate, certain company equity interests or significant payments of other sorts.

We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with GCP regulations. In addition, our clinical trials must be conducted with product candidates that were produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process. We also are required to register certain clinical trials and post the results of certain completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within specified time frames. Failure to do so can result in enforcement actions and adverse publicity.

Our CROs may also have relationships with other entities, some of which may be our competitors, for whom they may also be conducting clinical trials or other drug development activities that could harm our competitive position. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to any of our development programs.

If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct any of our nonclinical studies or clinical trials in accordance with regulatory requirements or our stated protocols, 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 obtain, or may be delayed in obtaining, marketing approvals for our product candidates, and we will not be able to, or may be delayed in our efforts to, successfully commercialize such product candidate, or we or they may be subject to regulatory enforcement actions. As a result, our results of operations and the commercial prospects for such product candidate would be harmed, our costs could increase and our ability to generate revenue could be delayed. To the extent we are unable to successfully identify and manage the performance of third-party service providers in the future, our business may be harmed.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs 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 commences work. As a result, delays could occur, which could compromise our ability to meet our desired development timelines. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not harm our business.

***We contract with third parties, including single-source manufacturers, for the manufacture of materials and expect to continue to do so for the development and, if approved, commercialization of our product candidates. This reliance on third parties increases the risk that we will not have sufficient quantities of such materials or that such supply will not be available to us at an acceptable cost or timelines, which could delay, prevent, or impair our development or commercialization efforts.***

We do not have any manufacturing facilities. We contract with third parties, including single-source manufacturers, for the manufacture of materials for our product candidates, and we expect to continue to rely on such third parties for the manufacture of clinical and commercial supply of our product candidates. Reliance on these third parties introduces risks such as loss of control over quality and timing, regulatory compliance, supply interruptions, and potential misappropriation of proprietary information. If a third-party manufacturer fails to meet our requirements or terminates the relationship, we may not be able to secure an alternative in a timely or cost-effective manner, which could delay or prevent the development or commercialization of our product candidates.

We may be unable to establish future agreements or maintain existing agreements with third-party manufacturers or to do so on acceptable terms for one or more of our material needs. Even if we are able to establish and maintain agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the possible failure of the third party to manufacture our product candidates according to our schedule, or at all, including if the third party gives greater priority to the supply of other products over our product candidates or otherwise does not satisfactorily perform according to the terms of the agreements between us and them;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how;
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us; and
- reliance on the third party for regulatory compliance, quality assurance, safety, and pharmacovigilance and related reporting.

Any performance failure on the part of our existing or future manufacturers could delay any potential clinical development or marketing approval of our product candidates. We do not currently have arrangements in place for redundant supply for bulk drug substances.

If any one of our current contract manufacturers cannot perform as agreed, we may be required to replace that manufacturer, or we may be forced to manufacture the materials ourselves, for which we may not have the capabilities or resources, or enter into an agreement with a different third-party manufacturer, which we may not be able to do on reasonable terms, if at all. In either scenario, our clinical trial supply could be delayed significantly as we establish alternative supply sources. These materials must meet stringent regulatory standards, making it difficult to quickly qualify alternative sources.

In some cases, the technical skills required to manufacture our product candidates may be unique or proprietary to the original third-party manufacturer and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be unable to transfer such skills at all.

In addition, if we are required to change third-party manufacturers for any reason, we will be required to verify that the new third-party manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product candidates according to the specifications previously submitted to the FDA or another regulatory authority.

The delays associated with the verification of a new third-party manufacturer could negatively affect our ability to develop or commercialize our drug product candidates in a timely manner or within budget.

Furthermore, a third-party manufacturer may possess technology related to the manufacture of our product candidates that such third-party manufacturer owns independently. This would increase our reliance on such third-party manufacturer or require us to obtain a license from such third-party manufacturer in order to have another third party manufacture our product candidates.

In addition, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that we conduct bridging studies between prior clinical supply used in our clinical trials and that of any new manufacturer. We may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials.

Our current and anticipated future dependence upon others for the manufacture of our product candidates may adversely affect our future expenses and our ability to commercialize our product candidates, if we receive marketing approval, on a timely and competitive basis. Our reliance on single-source manufacturers also exposes us to pricing volatility and limits our ability to mitigate supply chain risks. If we are unable to secure adequate supply of materials to meet our operational needs, our ability to advance our pipeline, meet contractual obligations, or generate revenue could be materially and adversely affected.

***If we or any contract manufacturers and suppliers we engage fail to comply with environmental, health, and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business.***

We and any contract manufacturers and suppliers we engage are subject to numerous federal, state, and local environmental, health, and safety laws, regulations, and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment, and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air, and water; and workplace health and safety. Under certain environmental laws, we could be held responsible for costs relating to any contamination at third-party facilities. We also could incur significant costs associated with civil or criminal fines and penalties. Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research and product development efforts.

We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty, and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination.

Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended, which could have a material adverse effect on our business, results of operations, financial condition, and prospects.

In addition, we may incur substantial costs in order to comply with current or future environmental, health, and safety laws, regulations, and permitting requirements. These current or future laws, regulations, and permitting requirements may impair our development, or production efforts. Failure to comply with these laws, regulations, and permitting requirements also may result in

substantial fines, penalties, or other sanctions or business disruption, which could have a material adverse effect on our business, results of operations, financial condition, and prospects.

Any third-party contract manufacturers and suppliers we engage will also be subject to these and other environmental, health, and safety laws and regulations. Liabilities they incur pursuant to these laws and regulations could result in significant costs or an interruption in operations, which could have a material adverse effect on our business, results of operations, financial condition, and prospects.

***We may not have access to the raw materials and other components necessary for the manufacturing of our product candidates.***

We are dependent on third parties, including single-source suppliers, for the supply of various materials that are necessary to produce our product candidates for our clinical trials. Even with supply agreements, it is possible that the supply may be reduced or interrupted at any time. In such case, we may not be able to find other suppliers of acceptable materials in appropriate quantities at an acceptable cost. If we lose key suppliers or the supply of materials is diminished or discontinued, we may not be able to continue to develop, manufacture and market our product candidates in a timely and competitive manner. In addition, these materials are subject to stringent manufacturing processes and rigorous testing. Delays in the completion and validation of facilities and manufacturing processes of these materials could adversely affect our ability to complete trials and commercialize our products in a cost-effective and timely manner. Any disruption in the supply of these raw materials and other components due to quality issues, regulatory enforcement actions, manufacturing delays, geopolitical instability, or financial difficulties of the third parties could significantly delay our development efforts. In some cases, we may not be able to obtain suitable alternatives on commercially reasonable terms, or at all, without incurring substantial time and cost to validate new suppliers and obtain necessary regulatory approvals. If we encounter difficulties in the supply of these materials, or if we are not able to maintain our supply agreements or establish new supply agreements in the future or incur increased production costs as a result of any of the foregoing, our product development and business prospects could be significantly compromised.

***If we are not able to establish future collaborations, we may have to alter some of our future development and commercialization plans.***

Our product development programs and the potential commercialization of our product candidates will require substantial additional capital to fund expenses. We may decide to collaborate for the future development and potential commercialization of our product candidates. Furthermore, we may find that our programs require the use of proprietary rights held by third parties, and the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. For example, in January 2025, we entered into the Mabworks Agreement, pursuant to which we obtained licenses to develop, manufacture and commercialize CLYM116, and products containing CLYM116, in certain territories.

We will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of any product candidates we may seek to develop with them. We cannot predict the success of any collaboration that we have entered into or will enter into.

We face significant competition in seeking appropriate collaborators, and many more established companies may also be 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, financial 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. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA, EMA, the MHRA, or similar foreign regulatory authorities, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. We may also be restricted under future license agreements from entering into agreements on certain terms with potential collaborators. Collaborations are complex and time consuming to negotiate and document.

In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators. We may not be able to negotiate further collaborations on a timely basis, on acceptable terms, or at all. Even if we are able to obtain a license to intellectual property of interest, we may not be able to secure exclusive rights, in which case others could use the same rights and compete with us. Collaboration partners may not prioritize our product candidates or otherwise not effectively pursue the development of such product candidates which may delay, reduce or

terminate the development of such product candidate, reduce or delay its development program or delay its potential commercialization. Further, if we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to delay, reduce or terminate the development of such product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. Doing so will likely harm our ability to execute our business plans. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

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

We are exposed to evolving U.S. and international trade policies, particularly those targeting China, which can directly impact our supply chain, costs, and ability to collaborate with Chinese partners. Recent and proposed U.S. legislation, including the BIOSECURE Act and Section 1260H of the National Defense Authorization Act, may restrict or prohibit federal funding for contracts with certain Chinese biotechnology companies and could limit our ability to work with key suppliers and collaborators such as Mabworks.

Our collaboration with Mabworks is central to our pipeline, and any restrictions, tariffs, or sanctions affecting Chinese biotech firms could require us to identify and qualify alternative suppliers or partners, which may not be feasible on a timely or cost-effective basis. In addition, tariffs on pharmaceutical products and ingredients imported from China, as well as potential retaliatory actions by the Chinese government, could increase our manufacturing costs, disrupt supply of raw materials, and delay development timelines.

The regulatory environment remains fluid, and future trade agreements, export controls, or sanctions could further impact our operations, costs, and competitive position. We may need to invest significant resources to adapt our supply chain, ensure compliance, and mitigate risks associated with geopolitical tensions and regulatory changes.

Some of our manufacturers and suppliers are located in China. Prior to the recent imposing of tariffs on China, trade tensions and conflicts between the U.S. and China had 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 U.S. or China, or due to geopolitical unrest and 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.

The BIOSECURE Act, signed into law in December 2025, prohibits U.S. federal agencies from utilizing or entering into or renewing a contract with any company that uses biotechnology equipment or services produced or provided by a “biotechnology company of concern” (BCC) in the performance of that contract. It also prohibits federal grant and loan awardees from expending federal grant or loan funds on the services of a BCC or entering into a contract with a BCC that will be paid for by federal grant or loan funds. This legislation also restricts the ability of biopharmaceutical companies that enter into contracts with or receive funding from U.S. federal agencies from using such equipment or services in the performance of federal contracts or grants. The Office of Management and Budget is expected to publish its initial list of BCCs no later than December 18, 2026.

We currently rely on certain foreign or foreign-owned third-party vendors, including WuXi Biologics, to manufacture certain materials used in the development of our product candidates or to provide services in connection with such development activities. In addition, we rely on Mabworks, a Chinese corporation, pursuant to the Mabworks Agreement, to conduct nonclinical studies of CLYM116 and to provide clinical supply of CLYM116 for these studies. If WuXi Biologics or Mabworks are designated as BCCs, this could affect our ability to use them in the performance of future federal contracts we may receive.

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 product candidates (if and once approved), the competitive position of our product candidates, and import or export of raw materials and finished product candidates used in our nonclinical studies and clinical trials, particularly with respect to any product candidates and materials that we import from China. As a result of changes in tariffs that have been announced or implemented, and the underlying uncertainty currently surrounding international trade, we could experience a negative impact to our costs of materials and production processes, and supply chain disruptions and delays as a result of any new tariff policies or trade restrictions. We cannot yet predict the effect of the recently imposed U.S. tariffs on imports, or the extent to which other countries, in particular, China, will impose and maintain 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.

Further, in April 2025, the Department of Commerce initiated an investigation under Section 232 of the Trade Expansion Act of 1962 into the impact on U.S. national security of the imports of pharmaceuticals and pharmaceutical ingredients, including finished drug products, medical countermeasures, critical inputs such as active pharmaceutical ingredients, and key starting materials, and derivative products of those items.

On April 2, 2026, President Trump issued a Proclamation invoking Section 232 of the Trade Expansion Act of 1962 to impose tariffs on imports of patented pharmaceuticals, biologics, and associated ingredients into the U.S. (the Proclamation). The Proclamation affects pharmaceutical manufacturers, importers, and supply chain participants. Specifically, beginning July 31, 2026, a 100% tariff applies to pharmaceutical articles that are subject to a valid, unexpired U.S. patent and are listed in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations (Orange Book) or are listed in the FDA's Lists of Licensed Biological Products (Purple Book). The 100% tariff also applies to active pharmaceutical ingredients and key starting materials for such articles. Certain categories of products are exempt from these tariffs, including generic pharmaceuticals and biosimilars; U.S.-origin pharmaceutical products, active pharmaceutical ingredients and key starting materials; products classified in certain 10-digit tariff codes, listed in Annex IV of the Proclamation; drugs and associated ingredients for all approved indications that are designated as orphan pursuant to the Orphan Drug Act; drugs for certain specific uses, including nuclear medicines; plasma-derived therapies; fertility treatments; cell and gene therapies; antibody drug conjugates; medical countermeasures related to chemical, biological, radiological, and nuclear threats; animal health; and other specialty pharmaceutical products to be later identified by the Secretary of Commerce; and goods that qualify as "prototypes to be used exclusively for development, testing, product evaluation, or quality control purposes," may be excluded from the additional tariffs.

**Risks Related to our Intellectual Property**

***We rely heavily on certain in-licensed patents and other intellectual property rights in connection with our development of our product candidates and may be required to acquire or license additional patents or other intellectual property rights to continue to develop and commercialize our product candidates.***

We rely heavily on patents, know-how and other intellectual property licensed from others. We are party to license agreements with each of CRH and Mabworks pursuant to each of which we are granted rights to intellectual property that are important to budoprutug and CLYM116, respectively.

Additionally, we may need to acquire or license intellectual property rights from additional third parties in the future in order to continue to develop or commercialize our product candidates. Any future license agreements where we in-license intellectual property may impose on us various development, regulatory or commercial diligence obligations, payment of milestones and royalties, and other obligations.

If we are unable to obtain, maintain, or enforce sufficient patent and other intellectual property rights, or if those rights are limited in scope, we may not be able to compete effectively or to develop, manufacture, or commercialize our product candidates. Licenses and collaborations may include diligence, milestone, royalty, field-of-use, or territorial restrictions; failure to comply can lead to termination and loss of rights. Complex license terms and disputes (scope, sublicensing, ownership, payments) can impact our freedom to operate, timelines, and costs.

If we fail to comply with any of the obligations under such license agreements, including payment terms and diligence terms, the licensors may have the right to terminate these agreements, in which case we may lose important intellectual property rights and we may not be able to develop, manufacture, market or sell our product candidates or may face other penalties under such agreements or be subject to litigation for breach of these agreements. In addition, such a termination could result in the licensor reacquiring the intellectual property rights and subsequently enabling a competitor to access the technology. Any such occurrence could materially adversely affect the value of any of our product candidates. Termination of license agreements or reduction or elimination of our rights under them may result in us having to negotiate a new or reinstated agreement, which may not be available on equally favorable terms, or at all, which may mean we are unable to develop or commercialize our product candidates.

For instance, these licenses may not provide exclusive rights to use the subject intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our technology and our product candidates in the future, such as provisions under the license agreement with CRH prohibiting us from developing our product candidates for oncology indications, or provisions under the Mabworks Agreement prohibiting us from undertaking certain activities in Greater China. In that event, we may be required to expend significant time and resources to redesign our technology or the methods for manufacturing or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis.

Further, the agreements under which we currently license, and may license in the future, intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. Accordingly, material

disputes may arise between us and our licensors, regarding intellectual property subject to such license agreement, including those relating to:

- the scope of rights, if any, granted under the license agreement and other interpretation-related issues;
- the scope and practice of any rights reserved by our licensors;
- whether a licensor had the right to grant the license agreement;
- whether third parties are entitled to compensation or equitable relief, such as an injunction, for our use of the intellectual property without their authorization;
- its right to sublicense patent and other rights to third parties under collaborative development relationships;
- whether we are complying with our obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates;
- our involvement in the prosecution of the licensed patents and our licensors' overall patent enforcement strategy;
- the allocation of ownership of inventions and know-how resulting from the creation or use of intellectual property by our licensors and by us and our partners, including jointly developed intellectual property; and
- the amounts of royalties, milestones or other payments due under the license agreement.

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, increase what we believe to be our financial or other obligations under the relevant agreement, or decrease the financial or other benefits it might otherwise receive under the relevant agreement. If material disputes over intellectual property that we have licensed prevent or impair our ability to maintain licensing arrangements on acceptable terms or are insufficient to provide us the necessary rights to use the intellectual property, we may be unable to successfully develop and commercialize our product candidates.

If we or any such licensors fail to adequately protect the relevant in-licensed intellectual property, our ability to commercialize our product candidates could suffer. Any material disputes with licensors or any termination of the licenses on which we depend would have a material adverse effect on our business, results of operations, financial condition and prospects.

***With respect to budoprutug, we own two pending U.S. provisional applications, nine pending U.S. nonprovisional patent applications, three pending PCT applications and eight pending ex-U.S. patent applications, and we have also exclusively licensed four issued U.S. patents and at least 45 ex-U.S. patents or patent applications under our license agreement with CRH. With respect to CLYM116, we have one exclusively in-licensed PCT application under the Mabworks Agreement and co-own six pending U.S. provisional patent applications, one pending U.S. nonprovisional patent application, and one pending PCT application with Mabworks. We can provide no assurance that any of our current or future patent applications will result in issued patents for budoprutug or CLYM116. If we are unable to obtain, maintain and protect sufficient patent and other intellectual property rights for our product candidates and technology, or if the scope of patent and other intellectual property rights obtained is not sufficiently broad, we may not be able to compete effectively in our market.***

Our success depends in significant part on our ability and the ability of our licensors, or future licensors, licensees or collaborators to obtain, maintain, enforce and defend patents and other intellectual property rights with respect to budoprutug, CLYM116, or any other product candidates we may develop and to operate our business without infringing, misappropriating or otherwise violating the intellectual property rights of others.

Our patent applications may not issue or may issue with limited scope, and issued patents can be challenged or circumvented, reducing our ability to prevent competitors from developing similar therapies. Oppositions, post-grant reviews, inter partes reviews, or litigation can narrow, invalidate, or render patents unenforceable, increasing costs and impacting collaborations and financing. Prosecution, maintenance, or enforcement errors, or lack of alignment with licensors, may compromise protection or priority.

With respect to budoprutug, we own two pending U.S. provisional applications, nine pending U.S. nonprovisional patent applications, three pending PCT applications and eight pending ex-U.S. patent applications. We also have exclusively licensed four issued U.S. patents and at least 45 ex-U.S. patents or patent applications under our license agreement with CRH. With respect to CLYM116, we have one exclusively in-licensed PCT application under the Mabworks Agreement and co-own six pending U.S. provisional patent applications, one pending U.S. nonprovisional patent application, and one pending PCT application with Mabworks. We can provide no assurance that any of these current patent applications or future patent applications will result in issued patents or that any issued patents will provide us with any competitive advantage. Failure to obtain issued patents could have a material adverse effect on our ability to develop and commercialize budoprutug, CLYM116 or any other product candidates we may develop.

Furthermore, other parties may successfully challenge, invalidate or circumvent our issued patents so that our patent rights do not create an effective competitive barrier or revenue source.

A U.S. provisional patent application is not eligible to become an issued patent until, among other things, we file a nonprovisional patent application within 12 months of filing of the provisional patent application. With regard to such U.S. provisional patent applications, if we do not timely file any nonprovisional patent applications, we may lose our priority dates with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. While we intend to timely file nonprovisional patent applications relating to our provisional patent applications, we cannot predict whether any such patent applications will result in the issuance of patents that provide us with any competitive advantage. If our 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 or our licensors' patents or patent applications, such patents may be invalid and 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.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the U.S. and abroad.

We may be subject to a third-party pre-issuance submission of prior art to the United States Patent and Trademark Office (USPTO) or become involved in opposition, derivation, revocation, reexamination, *inter partes* review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others, or other proceedings in the USPTO or applicable foreign offices that challenge priority of invention or other features of patentability.

An adverse determination in any such submission, proceeding or litigation could result in loss of exclusivity or freedom to operate, patent claims being narrowed, invalidated or held unenforceable, in whole or in part, limit the scope or duration of the patent protection of budoprutug, CLYM116 or any other product candidates, all of which could limit our ability to stop others from using or commercializing similar or identical product candidates or technology to compete directly with us, without payment to us, or result in our inability to manufacture or commercialize product candidates or approved products (if any) without infringing third-party patent rights. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize budoprutug, CLYM116 or any other product candidates, or could have a material adverse effect on our ability to raise funds necessary to continue our research programs or clinical trials. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us.

We cannot be certain that the USPTO and courts in the U.S. or the patent offices and courts in foreign countries will consider the claims in our patents and applications covering budoprutug, CLYM116 and any other product candidates as patentable.

Method-of-use patents protect the use of a product for the specified method. 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 product for our targeted indications, physicians may prescribe these products off-label. 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, including through legal action.

If we cannot obtain or lose patent protection for budoprutug, CLYM116 or any other product candidates, it could have a material adverse impact on our business. Additionally, as a licensee, we rely on third parties to file and prosecute patent applications and maintain patents and otherwise protect the licensed intellectual property under some of our license agreements. For example, under the license agreement with CRH, CRH is responsible for prosecuting and maintaining intellectual property protection for budoprutug in consultation with us. We have not had and do not have primary control over these activities for certain of our in-licensed patents or patent applications and other intellectual property rights. For example, we cannot be certain that such activities by CRH or other licensors will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights.

We have limited control over the manner in which CRH's or our other licensors may initiate an infringement proceeding against a third-party infringer of such intellectual property rights, or defend certain intellectual property that may be licensed to us. It is possible that CRH or our other licensors infringement proceeding or defense activities may be less vigorous than if we conduct them ourselves. We cannot be certain that such activities by third parties have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights.

For example, under the Mabworks Agreement, Mabworks is responsible for prosecuting and maintaining intellectual property protection for CLYM116 in Greater China in consultation with us. We have not had and do not have primary control over these activities in Greater China for CLYM116.

We cannot be certain that such activities by Mabworks will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights in Greater China. Pursuant to the terms of the license agreements with some of our licensors, the licensors may have the right to control enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents and even if we are permitted to pursue such enforcement or defense, we will require the cooperation of our licensors. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such claims to protect their or our interests in the licensed patents. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to license intellectual property that we may need to operate our business.

If any of our licensors or any of our future licensors or future collaborators fail to appropriately prosecute and maintain patent protection for patents covering our product candidates, our ability to develop and commercialize our product candidates may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products.

In addition, even where we have the right to control prosecution of patent applications we have acquired or licensed from third parties, we may still be adversely affected or prejudiced by actions or inactions of our licensors and their counsel that took place prior to our assuming control over patent prosecution. The patent prosecution process is expensive and time-consuming. We and our licensors, and any future licensors, licensees or collaborators, may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner.

It is also possible that we or our licensors will fail to identify patentable aspects of our research and development output in time to obtain patent protection or fail to file patent applications covering inventions made in the course of development and commercialization activities before a competitor or another third party files a patent application covering, or publishes information disclosing, a similar, independently-developed invention. Such competitor's or other third party's patent application may pose obstacles to our ability to obtain patent protection or limit the scope of the patent protection we may obtain.

Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, CROs, CDMOs, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the U.S. and other jurisdictions are typically not published until 18 months after the initial filing date, or in some cases not at all. Therefore, we cannot be certain that we or our future licensors were the first to make the inventions claimed in our owned or any future licensed patents or pending patent applications, or were the first to file for patent protection of such inventions.

In addition, our technology acquired or licensed from various third parties, including our licensors, may be subject to retained rights. Our licensors often retain certain rights under their agreements with us, including the right to use the underlying technology for use in fields other than the fields licensed to us or for use in noncommercial academic and research use, to publish general scientific findings from research related to the technology, and to make customary scientific and scholarly disclosures of information relating to the technology.

It is difficult to monitor whether our licensors limit their use of the technology to these uses, and we could incur substantial expenses to enforce our rights to its licensed technology in the event of misuse by the licensor.

The patent position of biotechnology and pharmaceutical companies generally is uncertain, involves complex legal and factual questions and is the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors' patent rights are uncertain.

Our and our future licensors' pending, and future patent applications may not result in patents being issued that protect our technology or product candidates, in whole or in part, or which effectively exclude others from commercializing competitive technologies and product candidates. The patent examination process may require us or our future licensors to narrow the scope of the claims of our pending and future patent applications, and therefore, even if such patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us or otherwise provide us with any competitive advantage.

Our and our licensors' patent applications cannot be enforced against third parties practicing the technology claimed in pending applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover such technology. Any patents that we hold or license, or may in-license in the future may be challenged, narrowed, circumvented or invalidated by third parties. Consequently, we do not know whether budoprutug, CLYM116 or any other product candidates will be protectable or remain protected by valid and enforceable patents.

Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner. Any of the foregoing could impair our competitive position and harm our business.

***The patent protection we obtain for budoprutug, CLYM116 or any other product candidates and technologies may be challenged and rendered invalid or unenforceable.***

Patent challenges, including oppositions, post-grant reviews, inter partes reviews, derivations, and litigation, can narrow, invalidate, or render our patents unenforceable, reducing exclusivity and enabling competitors to commercialize similar technologies. Adverse outcomes may limit our ability to prevent competition, shorten patent duration, or require costly and time-consuming legal proceedings.

Even if our owned or co-owned patent applications issue as patents, the issuance of any such patents is not conclusive as to their inventorship, scope, validity or enforceability, and such patents or patents we license from third parties, may be challenged, invalidated, narrowed or held to be unenforceable, including in the courts or patent offices in the U.S. and abroad, or circumvented.

We or our licensors may be subject to a third-party preissuance submission of prior art to the USPTO or equivalent foreign bodies, or become involved in opposition, derivation, revocation, re-examination, post-grant and inter partes review or interference proceedings challenging our or our licensors' patent rights or the patent rights of others.

An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our or our licensors' patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. Moreover, we may have to participate in interference or derivation proceedings declared by the USPTO to determine priority or ownership of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge priority of invention or other features of patentability. Such proceedings and any other patent challenges may result in loss of patent rights, loss of exclusivity, loss of priority or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products or limit the duration of the patent protection of our technology and product candidates. Such proceedings also may result in substantial costs and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Moreover, there could be public announcements of the results of hearings, motions or other developments related to any of the foregoing proceedings. If securities analysts or investors perceive those results to be negative, it could cause the price of shares of our common stock to decline. Any of the foregoing could harm our business.

***Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.***

Our reliance on third parties for development, manufacturing, and other services requires us to share trade secrets and confidential information, increasing the risk of misappropriation, inadvertent disclosure, or incorporation into others' technology. While we use confidentiality and related agreements, these may not provide adequate protection or remedies, and monitoring compliance is challenging. If competitors lawfully obtain or independently develop our trade secrets, or if unauthorized disclosure occurs, our competitive position could be impaired.

We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically limit the rights of the third parties to use or disclose our confidential information, such as trade secrets. Despite these contractual agreements with third parties, sharing trade secrets and other confidential information increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others or are disclosed or used in violation of these agreements.

Given that our proprietary position is based, in part, on our know-how and trade secrets, a competitor's discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may harm our business.

***We may become involved in lawsuits to protect or enforce our patents, the patents of our licensors or other intellectual property, which could be expensive, time-consuming and unsuccessful, and issued patents covering our technology and product candidates could be found invalid or unenforceable if challenged.***

Intellectual property litigation can be costly and time-consuming; adverse outcomes (invalidity, unenforceability, narrow claim construction) can limit our ability to prevent competition and harm our business. Litigation may also result in disclosure of confidential information and distract management, and enforcement can be especially challenging in some jurisdictions.

Competitors and other third parties may infringe, misappropriate or otherwise violate our owned, co-owned and licensed patents or other intellectual property. In addition, our owned, co-owned and licensed patents may become involved in inventorship or priority disputes. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent is issued from such applications. To counter infringement or other unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents or that our patents are invalid or unenforceable.

In a patent infringement proceeding, a court may decide that an owned, co-owned or licensed patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our owned, co-owned and licensed patents do not cover the technology. An adverse result in any litigation proceeding could put one or more of our owned, co-owned or licensed patents at risk of being invalidated, held unenforceable or interpreted narrowly. We may find it impractical or undesirable to enforce our intellectual property against some third parties.

In patent litigation in the U.S., defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or insufficient written description. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution.

Third parties may also raise similar claims before the USPTO or an equivalent foreign body, even outside the context of litigation. Potential proceedings include re-examination, post-grant review, inter partes review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our technology or any product candidates that we may develop.

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 and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on the applicable product candidates or technology covered by the patent rendered invalid or unenforceable. Such a loss of patent protection would harm our business.

Interference or derivation proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the ownership or priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Such licenses may not be available on commercially reasonable terms, or at all, or may be non-exclusive.

If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture and commercialization of one or more of the product candidates we may develop. In addition, if we, our existing licensors or any future licensors are unsuccessful in any inventorship disputes to which we or they are subject, we may lose valuable intellectual property rights, such as exclusive ownership of, or the exclusive right to use, our owned, licensed or any future in-licensed patents. The loss of exclusivity or the narrowing of such patent claims could limit our ability to stop others from using or commercializing similar or identical technology and products. Any of the foregoing could harm our business. Even if we are successful in any of the foregoing disputes, it could result in substantial costs and be a distraction to management and other employees. 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 or proceeding.

Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately.

Most of our competitors are larger than we are and have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims could result in substantial costs and diversion of management resources, which could harm our business. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to initiate anticipated clinical trials, continue our internal research programs or in-license needed technology or other product candidates. There could also be public announcements of the results of the hearing, motions or other interim proceedings or developments. If securities analysts or investors perceive those results to be negative, it could cause the price of shares of our common stock to decline. Any of the foregoing events could harm our business.

***We may not be able to protect our intellectual property rights throughout the world.***

Legal protections for proprietary intellectual property vary in jurisdictions throughout the world. The enforcement of intellectual property rights can be difficult and costly, and some jurisdictions provide weaker protection than the U.S.

Competitors may use our technology in countries where we lack protection or where enforcement is limited and may export infringing products into protected markets. Efforts to enforce rights abroad can be expensive, time-consuming, and may not yield meaningful remedies, limiting our ability to secure a commercial advantage. Filing, prosecuting, maintaining, defending and enforcing patents and other intellectual property rights on budoprutug, CLYM116 or any other product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the U.S. can be less extensive than those in the U.S. 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 U.S. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the U.S., or from selling or importing products made using our inventions in and into the U.S. or other jurisdictions.

Competitors may use our technologies in jurisdictions where we have not obtained patent protection or other intellectual property rights to develop their own products and may export otherwise infringing, misappropriating or violating products to territories where we have patent or other intellectual property protection, but enforcement rights are not as strong as those in the U.S. These products may compete with budoprutug, CLYM116 or any other product candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries do not favor the enforcement of patents and other intellectual property rights, which could make it difficult for us to stop the infringement, misappropriation or other violation of our intellectual property rights generally. Proceedings to enforce our intellectual property 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.

Many countries, including EU countries, India, Japan and China, have compulsory licensing laws under which a patent owner may be compelled under specified circumstances to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. 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, which could harm our business.

***We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent which might adversely affect our ability to develop and market our product candidates.***

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending patent application in the U.S. and abroad that is relevant to or necessary for the commercialization of budoprutug, CLYM116 or any other product candidates in any jurisdiction. For example, freedom-to-operate analyses may miss relevant third-party rights or misinterpret scope or expiration, leading to infringement risk, redesigns, licensing costs, or delays. If we fail to identify or correctly interpret relevant patents, we may face costly litigation, delays, or be forced to obtain licenses on unfavorable terms, which could adversely affect the development and commercialization of our product candidates.

Patent applications in the U.S. and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering budoprutug, CLYM116 or any other product candidates could have been filed by third parties without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover budoprutug, CLYM116 or any other product candidates or their use.

Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market such product candidates. If we fail to identify and correctly interpret relevant patents or if we are unable to obtain licenses to relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we fail in any such dispute, in addition to being forced to pay damages, which may be significant, we may be temporarily or permanently prohibited from commercializing any of our product candidates that are held to be infringing.

We might, if possible, also be forced to redesign product candidates so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business and could harm our business.

***If we fail to comply with our obligations in the agreements under which we license intellectual property rights from our licensors, otherwise experience disruption to our business relationships with our licensors, or we are unable to obtain licenses from other third parties on commercially reasonable terms or fail to comply with our obligations under such agreements, we could lose license rights that are important to our business and our business could be harmed.***

We are a party to a number of license agreements under which we are granted rights to intellectual property that are important to our business, and we may enter into additional license agreements in the future for budoprutug, CLYM116 or any other product candidates.

Our existing license agreements impose on us, and we expect that any future license agreements where we in-license intellectual property will impose on us, various development, regulatory and commercial diligence obligations, payment of milestones and royalties and other obligations. If we fail to comply with our obligations under these agreements, or we are subject to bankruptcy-related proceedings, our licensors may have the right to terminate our licenses, in which case, we would not be able to market products covered by the licenses. Additionally, non-compliance with license terms (e.g., payment, diligence, reporting, or other obligations) can lead to termination or re-purchase of assets, loss of rights, or restrictions that delay development and commercialization of our product candidates.

We acquired our right to a number of licenses pursuant to the Asset Purchase Agreement, as well as from license agreements that Tenet entered into in connection with the Asset Purchase Agreement. Those license agreements impose on us various development, regulatory and commercial diligence obligations, payment of milestones and royalties and other obligations. To the extent a Product (as such term is defined in the Asset Purchase Agreement) exists under the Asset Purchase Agreement, we may also have diligence and payment obligations to Acelyrin, and Acelyrin may have certain related rights if we fail to comply with diligence obligations, including the right to re-purchase the Transferred Assets (as defined in the Asset Purchase Agreement), including our rights to the licenses subject to the Asset Purchase Agreement, in which case, we may not be able to market or develop such Product.

With respect to CLYM116, we have an existing license agreement with Mabworks, which imposes on us various development, regulatory and commercial diligence obligations, payment of milestones and royalties and other obligations. If we fail to comply with our obligations under the license agreement, Mabworks may have the right to terminate the license agreement, in which case, we may not be able to market or develop CLYM116.

Loss of licensed rights may require renegotiation on less favorable terms, or may enable competitors to access the technology, materially harming our business. We may need to obtain additional licenses from third parties to advance our research or commercialize budoprutug, CLYM116 or any other product candidates, and we cannot provide any assurances that third-party patents do not exist that might be enforced against budoprutug, CLYM116 or such other product candidates in the absence of such a license. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital 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. We may fail to obtain any of these licenses on commercially reasonable terms, if at all. 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. If we are unable to do so, we may be unable to develop or commercialize budoprutug, CLYM116 or any other product candidates, which could materially harm our business and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with

respect to our sales, an obligation on our part to pay royalties and other forms of compensation. Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues. Disputes may arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted, or payment obligations, under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe intellectual property of the licensor that is not subject to the licensing agreement;
- our right to sublicense patent rights and other rights to third parties;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations;
- our right to transfer or assign licenses; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and our affiliates and sublicensees and by us and our partners and sublicensees.

If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may not be able to successfully develop and commercialize our product candidates, which would have a material adverse effect on our business.

Moreover, some of our patents and patent applications in the future may be co-owned with third parties. If we are unable to obtain an exclusive license to any such 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, who could market competing products and technology. In addition, we may need the cooperation of any such co-owners to enforce such patents against third parties, and such cooperation may not be provided to us.

***Patent terms may be inadequate to protect our competitive position on budoprutug, CLYM116 or any other product candidates for an adequate amount of time.***

Patents have a limited lifespan. Even with possible extensions, patent protection may expire before or shortly after commercialization, enabling earlier competition and potentially reducing the amount of revenue we are able to generate from sale of any of our product candidates that receive approval. If we do not have sufficient patent life to protect our product candidates, our business and competitive position may be adversely affected. In the U.S., if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. nonprovisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering budoprutug, CLYM116 or any other product candidates are obtained, once the patent life has expired for a product candidate, we may be open to competition from competitive medications, including generic medications.

Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such product candidates might expire before or shortly after such product candidates are commercialized. As a result, our owned, co-owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to ours.

In addition, we intend, or understand that our licensors intend, to pursue additional patent protection covering, when possible, compositions, methods of use, methods of manufacture, and dosing and formulations of budoprutug and CLYM116.

Any patent that may be issued from our nine owned pending U.S. nonprovisional patent applications, three owned pending PCT applications and six of our eight owned pending ex-U.S. patent applications relating to budoprutug is expected to expire in 2045, excluding any patent term adjustment (PTA) that might be available following the grant of any such patent and any patent term extension (PTE) that might be available following the grant of marketing authorizations.

With respect to budoprutug, the issued patents, or patents that may be issued from the pending patent applications that we exclusively in-license from CRH are expected to expire beginning in December 2026, excluding any PTA that might be available following the grant of any such patent and any PTE that might be available following the grant of marketing authorizations. In the case of one of the U.S. patents exclusively in-licensed from CRH, the patent term is adjusted by 1,703 days and is expected to expire in August 2031. In each instance of the above, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to budoprutug.

Any patent that may be issued from our pending patent applications co-owned with Mabworks relating to CLYM116 is expected to expire in 2046 or 2047, excluding any PTA that might be available following the grant of any such patent and any PTE that might be available following the grant of marketing authorizations.

With respect to CLYM116, the patents that may be issued from the pending patent application that we exclusively in-license from Mabworks are expected to expire in 2044, excluding any PTA that might be available following the grant of any such patent and any PTE that might be available following the grant of marketing authorizations. In each instance of the above, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to CLYM116.

Depending upon the timing, duration and conditions of any FDA marketing approval of budoprutug, CLYM116 or any other product candidates, one or more of our U.S. owned, co-owned or licensed patents may be eligible for limited PTE under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments, and one or more of our foreign owned, co-owned or licensed patents may be eligible for PTE under similar legislation, for example, in the EU. In the U.S., the Hatch-Waxman Amendments permit a PTE of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, there are no assurances that the FDA or any comparable foreign regulatory authority or national patent office will grant such extensions, in whole or in part. For example, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval, and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended.

If we are unable to obtain PTE or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable product candidate will be shortened, and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced.

Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and nonclinical data and launch their product earlier than might otherwise be the case, and our competitive position and business could be harmed.

***Changes in patent law could diminish the value of our patents, thereby impairing our ability to protect our intellectual property for budoprutug, CLYM116 or any other product candidates.***

Our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical industry is inherently uncertain, due in part to ongoing changes in the patent laws. Legal and policy changes can alter patentability, validity standards, and challenge mechanisms, affecting our ability to obtain, maintain, and enforce intellectual property protections. Court decisions, legislative reforms, and evolving international standards may narrow patent scope, increase uncertainty, and raise costs for intellectual property prosecution, enforcement, and defense. Depending on decisions by Congress, the federal courts, and the USPTO and equivalent institutions in other jurisdictions, the laws and regulations governing patents, and interpretation thereof, could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce existing or future patents.

For example, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations.

Therefore, there is increased uncertainty with regard to our ability to obtain patents in the future, as well as uncertainty with respect to the value of patents once obtained.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued and licensed patents. Assuming that other requirements for patentability are met, prior to March 2013, in the U.S., the first to invent the claimed invention was entitled to the patent, while outside the U.S., the first to file a patent application was entitled to the patent.

After March 2013, under the Leahy-Smith America Invents Act (Leahy-Smith Act) enacted in September 2011, the U.S. transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications are prosecuted and may also affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO-administered post-grant proceedings, including post-grant review, inter partes review and derivation proceedings. The USPTO recently developed new regulations and procedures to

govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, particularly the first inventor-to-file provisions. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business.

However, the Leahy-Smith 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 or licensed patents, all of which could harm our business.

***Obtaining and maintaining 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 if we fail to comply with these requirements.***

Periodic maintenance fees, renewal fees, annuity fees and various other government fees on any patents and patent applications are required to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of a patent. In certain circumstances, we may rely on our licensors to pay these fees. The USPTO and various foreign patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar requirements during the patent application and prosecution process.

Administrative errors or missed deadlines (by us or licensors) can lead to abandonment or loss of rights. Failure to pay fees, respond to official actions, or submit required documents can result in loss of patent protection in relevant jurisdictions. If we or our licensors, or any future licensors or collaborators, fail to maintain the patents and patent applications covering budoprutug, CLYM116 or any other product candidates, our competitors might be able to enter the market with similar or identical products or technology, which would harm our business.

***Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could negatively impact the success of our business.***

Our commercial success depends upon our ability and the ability of any of our collaborators to develop, manufacture, market and sell budoprutug, CLYM116 and any other product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties.

There is considerable intellectual property litigation in the biotechnology and pharmaceutical industries. We may become party to, or be threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to budoprutug, CLYM116 or any other product candidates and technology, including re-examination, interference, post-grant review, inter partes review or derivation proceedings before the USPTO or an equivalent foreign body. Numerous U.S. and foreign issued patents and pending patent applications owned by third parties exist in the fields in which we are developing our product candidates. In the event that any of these patents were asserted against us, we believe that we would have defenses against any such action, including that such patents are not valid or that we would be able to replace such technology with alternative, non-infringing technology.

However, if any such patents were to be asserted against us and our defenses to such assertion were unsuccessful and such alternative technology was not available or technologically or commercially practical, unless we obtain a license to such patents, we could be liable for damages, which could be significant and include treble damages and attorneys' fees if we are found to willfully infringe such patents, and we could be precluded from commercializing any product candidates that were ultimately held to infringe such patents. Any potential future legal proceedings relating to these patents could cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. If we are unsuccessful in our challenges to these patents and become subject to litigation or are unable to obtain a license on commercially reasonable terms with respect to these patents, it could harm our business.

Third parties may allege that we are infringing, misappropriating, or otherwise violating their intellectual property rights. Defending such claims can be costly, time-consuming, and distracting. If we are found to infringe, we may be required to obtain licenses (which may not be available on reasonable terms), pay damages, or cease development or commercialization of affected products.

We may also be required to indemnify collaborators or licensors, further increasing costs. Any of these outcomes could materially harm our business.

***We may be subject to claims by third parties asserting that we or our employees have infringed upon, misappropriated or otherwise violated their intellectual property rights, or claiming ownership of what we regard as our own intellectual property.***

Many of our employees were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we

may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer.

Employee or consultant background intellectual property claims can lead to disputes, costs, delays, or loss of rights. We may face allegations that our personnel used or disclosed proprietary information from prior employers, or that we do not own inventions developed by our team. Litigation or disputes over intellectual property ownership can be costly, distract management, and may result in loss of rights or personnel. Litigation may be necessary to defend against these claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs, delay development of our product candidates and be a distraction to management. Any of the foregoing events would harm our business.

***Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.***

Intellectual property litigation can be expensive, time-consuming, and may divert management and technical personnel from core business activities. Even successful outcomes can result in significant costs and operational disruption. Public proceedings may also impact our reputation or stock price.

In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and 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. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources.

Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to initiate anticipated clinical trials, continue our research programs, license necessary technology from third parties or enter into development collaborations that would help us commercialize budoprutug, CLYM116 or any other product candidates, if approved. Any of the foregoing events would harm our business.

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

We rely on trade secrets and know-how to protect proprietary technology, especially where patent protection is unavailable or inappropriate. Trade secrets can be difficult to protect, and confidentiality agreements and security measures may be breached, and remedies may be inadequate. If our trade secrets are disclosed, misappropriated, or independently developed by competitors, our competitive position could be harmed.

Trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, licensors, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the U.S. are less willing or unwilling to protect trade secrets.

If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be harmed.

As is common in the biotechnology industry, we engage the services of consultants to assist us in the development of our product candidates. Many of these consultants were previously employed at, or may have previously provided or may be currently providing consulting services to, other biotechnology companies including our competitors or potential competitors.

We may become subject to claims that we or our consultants inadvertently or otherwise used or disclosed trade secrets or other information proprietary to our consultants' former employers or their former or current clients. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team.

***We may not be able to protect and enforce our trademarks and trade names or build name recognition in our markets of interest thereby harming our competitive position.***

We intend to rely on both registered and common law rights for our trademarks. We plan to apply to register these trademarks with the USPTO and may in the future seek to register additional trademarks in the U.S. and other countries.

Trademark protection may be limited or unavailable in some jurisdictions, and third parties may oppose, cancel, or infringe our marks. Failure to secure or enforce trademarks can diminish brand value, create confusion, and harm our competitive position. Building name recognition in our markets of interest may be challenging, and litigation or administrative proceedings to protect trademarks can be costly and uncertain.

***Intellectual property rights do not necessarily address all potential threats.***

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. Even robust intellectual property may not prevent all competition; alternative technologies, off-label use, safe-harbor R&D, and missed filings can erode intellectual property exclusivity.

Competitors may independently develop similar or alternative technologies, design around our patents, or benefit from aspects of our inventions that are not patentable or not protected. Intellectual property rights may not cover all threats, and the patents of others may adversely affect our business.

For example:

- others may be able to make products that are similar to any product candidates we may develop or utilize similar technology but that are not covered by the claims of the patents that we own, co-own or license now or own, co-own or license in the future;
- we, or our current or future licensors, might not have been the first to make the inventions covered by the issued patent or pending patent application that we own, co-own or license now or own, co-own or license in the future;
- we, or our current or future licensors, might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending owned, co-owned or licensed patent applications or those that we may own, co-own or license in the future will not lead to issued patents; issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in the U.S. under FDA-related safe harbor patent infringement exemptions or in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could harm our business.

**Risks Related to our Business Operations and Employee Matters**

***If our information technology systems or data, or those of third parties upon which we rely, such as CROs, are or were compromised or interrupted, we could experience adverse consequences resulting from such compromise or interruption, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.***

In the ordinary course of our business, we may collect, store, use, transmit, disclose, or otherwise process proprietary, confidential, and sensitive data, including personal data (such as health-related data), intellectual property, and trade secrets using information technology networks and systems, including the Internet and artificial intelligence-based software.

Cyberattacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity and availability of our data and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to increase and are becoming increasingly difficult to detect. These threats come from a variety of sources.

In addition to traditional computer "hackers," threat actors, "hacktivists", organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation-states, and nation-state-supported actors now engage in attacks. Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, and the third parties upon which we rely, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and harm our business.

We and the third parties upon which we rely, such as CROs, may be subject to a variety of evolving threats, including but not limited to social-engineering attacks, including through the use of artificial intelligence and deep fakes, which may become increasingly more difficult to identify as fake, and phishing attacks, malicious code, such as viruses and worms, malware, including as a result of advanced persistent threat intrusions, denial-of-service attacks, such as credential stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, geopolitical developments, earthquakes, fires, floods, and other similar threats. Ransomware attacks are becoming increasingly prevalent and severe and can lead to significant interruptions in our operations, loss of data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. We also rely upon third-party service providers and technologies to operate critical business systems to process confidential information and personal data in a variety of contexts, including, without limitation, third-party providers of cloud-based infrastructure, encryption and authentication technology, employee email and other functions. Our ability to monitor these third parties' cybersecurity practices is limited, and these third parties may not have adequate information security measures in place. We may share or receive sensitive data with or from third parties, and if they experience a security incident or other interruption, we could experience adverse consequences.

The increasingly distributed nature of computing, including prevalent use of mobile devices to access confidential information and widespread use of cloud-based applications hosted in remote data centers, increases the risk of security breaches and incidents. Similarly, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties and infrastructure in our supply chain or our third-party partners' supply chains have not been affected. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

Some of our personnel work from home, which poses increased risks to our information technology systems and data as they utilize network connections outside our premises. Future business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

Any of the previously identified or similar threats could cause a security incident or other interruption. A security incident or other interruption could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our data or our information technology systems, or those of the third parties upon whom we rely. Additionally, sensitive data could be leaked, disclosed, or revealed as a result of or in connection with our employee's, personnel's, or vendor's use of generative artificial intelligence technologies. If such an event were to occur, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed, 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 the manufacture of our product candidates and to conduct clinical trials, and similar events relating to their computer systems could also harm our business.

We may expend significant resources or modify our business activities, including future clinical trial activities, to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures, industry-standard or reasonable security measures to protect our information technology systems and data. While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective.

We take steps to detect and remediate vulnerabilities, but we may be unable in the future to detect and remediate vulnerabilities because such threats and techniques change frequently, are often sophisticated in nature, and therefore may not be detected until after a security incident has occurred. These vulnerabilities therefore may pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosures or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences.

These consequences may include: government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and oversight; restrictions on processing data, including personal data; litigation, including class claims; indemnification obligations; negative publicity; reputational harm; monetary expenditures; interruptions in our operations, including availability of data; financial loss; and other similar harms.

Security incidents and attendant consequences may cause delays in the development of our product candidates and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

***If we fail to attract and retain management and other key personnel, we may be unable to continue to successfully develop or commercialize our product candidates or otherwise implement our business plan.***

Our ability to compete effectively in the pharmaceuticals industry depends on our ability to attract and retain highly qualified managerial, scientific, medical, legal, sales and marketing and other personnel. We are highly dependent on recruiting and retaining our management and scientific personnel. The loss of the services of any of these key personnel or the inability to recruit suitable replacements could impede or delay the successful development of our product candidates, completion of our clinical trials, and negatively impact our ability to implement our business plan. We also rely on the services of consultants and advisors who may have other commitments, which could limit their availability and impact our ability to execute our business strategy.

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

We are exposed to the risk that our employees, independent contractors, consultants, licensors, commercial collaborators, principal investigators, CROs and vendors may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or unauthorized activities that violate (1) the laws and regulations of the FDA, the EMA, the MHRA and other similar regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities, (2) manufacturing standards, (3) federal and state data privacy, security, fraud and abuse and other healthcare laws and regulations in the U.S. and abroad and (4) laws that require the true, complete and accurate reporting of financial information or data. 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 may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by these parties could also involve the improper use of individually

identifiable information, including information obtained in the course of clinical trials, creating fraudulent data in our nonclinical studies or clinical trials or illegal misappropriation of product candidates, which could result in regulatory sanctions and harm our reputation.

We have adopted a code of business conduct and ethics, but it is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred.

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, including the imposition of significant civil, criminal and administrative penalties, including damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm and the delay, reduction, termination or restructuring of our operations.

***Our international operations may expose us to business, regulatory, political, operational, financial, pricing and reimbursement risks associated with doing business outside of the U.S.***

Operating internationally adds regulatory complexity, pricing and reimbursement variability, foreign exchange and logistics risks, and exposure to geopolitical and anti-corruption issues that can delay or limit market access. We may face different regulatory requirements, reduced intellectual property protection, trade restrictions, currency fluctuations, tax consequences, and challenges in staffing and managing foreign operations. Political instability, public health emergencies, and other disruptions can further impact our ability to operate and grow outside the U.S.

Our business strategy incorporates potential international expansion as we seek to conduct clinical trials, obtain regulatory approval for, and commercialize, our product candidates in patient populations outside the U.S. For example, we are actively conducting clinical trials in multiple countries outside of the U.S., including in Australia, China, and Europe. If budoprutug, CLYM116 or any of our future product candidates are approved in international jurisdictions, we may hire sales representatives and conduct physician and patient association outreach activities outside of the U.S. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws and regulations;
- failure by us to obtain and maintain regulatory approvals for the use of our products in various countries; rejection or qualification of foreign clinical trial data by the competent authorities of other countries;
- delays or interruptions in the supply of clinical trial materials resulting from any events affecting raw material supply or manufacturing capabilities abroad;
- additional potentially relevant third-party patent and other intellectual property rights;
- complexities and difficulties in obtaining, maintaining, protecting and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations;
- complexities associated with managing multiple payor reimbursement regimes, government payors or patient self-pay systems;
- limits in our ability to penetrate international markets;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our product candidates and exposure to foreign currency exchange rate fluctuations;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses and the cost and risk of entering into hedging transactions if we choose to do so in the future;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, including related public health guidance measures, boycotts, curtailment of trade and other business restrictions;
- certain expenses including, among others, expenses for travel and insurance; and

- regulatory and compliance risks that relate to anti-corruption compliance and record-keeping that may fall within the purview of the Foreign Corrupt Practices Act, its accounting provisions or its anti-bribery provisions or provisions of anti-corruption or anti-bribery laws in other countries.

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

***We may not be able to utilize a significant portion of our net operating loss carryforwards.***

As of December 31, 2025, we had net operating loss (NOL) carryforwards of approximately $55.8 million for federal income tax purposes, $63.2 million for foreign income tax purposes and $9.5 million for state income tax purposes. The federal NOLs may be used to offset up to 80% of future taxable income each year while the state and foreign losses may be used to offset up to 100% of future taxable income. The federal and foreign NOL carryforwards can be carried forward indefinitely while the state NOL carryforwards will begin to expire in varying amounts in 2038. The NOL carryforwards subject to expiration could expire unused and be unavailable to offset future income tax liabilities.

We may not be able to utilize a significant portion of our NOL carryforwards or tax credits due to limitations under tax law, including Sections 382 and 383 ownership change rules, and similar or corresponding provisions of foreign and state law, changes in tax law, or insufficient future taxable income. If we are unable to use these tax attributes, our future cash flows and financial condition could be adversely affected.

***We have and may continue to seek to grow our business through acquisitions or investments in new or complementary businesses, products or technologies, through the licensing of products or technologies from third parties or through other strategic alliances, and the failure to manage acquisitions, investments, licenses or other strategic alliances, or the failure to integrate them with our existing business, could have a material adverse effect on our operating results, dilute our stockholders' ownership, increase our debt or cause us to incur significant expense.***

Our success depends on our ability to continually enhance and broaden our product offerings in response to changing clinician and patients' needs, competitive technologies and market pressures. Accordingly, we have and may continue to consider opportunities to acquire, make investments in or license other technologies, products and businesses that may enhance our capabilities, complement our existing products and technologies or expand the breadth of our markets or customer base. For example, we entered into the Mabworks Agreement where we acquired licenses for the development, manufacture and commercialization of CLYM116 and products containing CLYM116 in certain territories.

Potential and completed acquisitions, strategic investments, licenses and other alliances, including our acquisition of Tenet and the Mabworks Agreement, involve numerous risks, including:

- difficulty assimilating or integrating acquired or licensed technologies, products, employees or business operations; issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions or strategic alliances, including the assumption of unknown or contingent liabilities and the incurrence of debt or future write-offs of intangible assets or goodwill;
- diversion of management's attention from our core business and disruption of ongoing operations;
- adverse effects on existing business relationships with suppliers, sales agents, health care facilities, surgeons and other health care providers;
- risks associated with entering new markets in which we have limited or no experience;
- potential losses related to investments in other companies;
- potential loss of key employees of acquired businesses; and
- increased legal and accounting compliance costs.

To finance any acquisitions, investments or strategic alliances, we may choose to issue shares of our common stock as consideration, which could dilute the ownership of our stockholders. For example, in June 2024 we issued 5,560,047 shares of our common stock as consideration in connection with the closing of the Acquisition, and we issued 31,238,282 shares of our common stock in connection with the closing of the Acquisition Private Placement, resulting in the issuance of a total of an additional 36,798,329 shares of our common stock. In addition, in April 2026, we issued 9,481,000 shares of our common stock and pre-funded warrants to purchase 2,106,000 shares of our common stock in connection with the closing of the 2026 Private Placement.

If the price of our common stock is low or volatile, we may be unable to consummate any acquisitions, investments or strategic alliances using our common stock as consideration. Additional funds may not be available on terms favorable to us, or at all.

***Our expanding use of AI exposes us to operational, regulatory, legal and ethical risks that could adversely affect our business, reputation, financial condition and results of operations.***

We increasingly develop, procure, and deploy AI and machine learning (ML) tools across our operations. While these tools may create efficiencies, they also introduce risks related to data quality and bias, transparency and explainability, validation and lifecycle management, cybersecurity, intellectual property, privacy, discrimination, liability, and third-party dependencies. Errors or bias in AI outputs, inadequate monitoring, or insufficient documentation could impair clinical development, pharmacovigilance, manufacturing quality, or commercial activities, resulting in delays, higher costs, product or batch actions, or reputational harm. The emergence of AI and other technologies may exacerbate other risks, including those related to regulation, litigation, compliance issues, ethical concerns, confidentiality, and data privacy or security. For example, regulatory uncertainty related to AI or other emerging technologies may require significant resources to adjust business practices to comply with developing laws. Several governmental authorities have already proposed or enacted laws and other guidance governing AI.

For example, in the U.S., the FDA has outlined a risk-based credibility framework for AI used to support drug and biologics development, signaling expectations for context of use validation, lifecycle maintenance, traceability and explainability; these expectations could increase development costs and elongate review. These and other developing obligations may prevent or make it harder for us to conduct or enhance our business using AI, or lead to regulatory fines, penalties, or other liability. Further, use of AI technologies could lead to unintended consequences, such as data leakage, healthcare fraud and abuse, cybersecurity incidents, intellectual property infringement, or unintended biases. Our AI use must also comply with privacy regimes, including the U.K. GDPR and EU GDPR (e.g., restrictions on automated decision making and profiling, and stringent transparency and data subject rights). Divergent and evolving requirements across jurisdictions may require region specific controls, duplicated validation, or delayed deployments; failure to comply could lead to investigations, fines, injunctions, adverse regulatory outcomes, litigation, loss of market access or reputational damage.

**Risks Related to our Common Stock**

***The trading price of our common stock has been and may continue to be volatile, and purchasers of our common stock could incur substantial losses.***

Our stock price has been volatile and is likely to remain volatile. The stock market in general and the market for biotechnology companies in particular have also experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may continue to be volatile in the future and may be influenced by many factors, including:

- 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;
- the commencement, enrollment or results of any clinical trials or nonclinical development activities we may conduct, or changes in the development status of our product candidates;
- adverse results from, delays in or termination of our clinical trials or those of our competitors;
- unanticipated serious safety concerns related to the use of any of our product candidates;
- adverse regulatory decisions, including results of regulatory interactions and review for any of our product candidates;
- lower than expected market acceptance of our product candidates following approval for commercialization;
- changes in financial estimates by us or by any securities analysts who might cover our stock;
- conditions or trends in our industry;
- 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 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 strategic transactions, 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;
- actions by institutional or activist investors;
- changes to our business, including pipeline reprioritizations and restructurings;
- recruitment or departure of key personnel;
- overall performance of the equity markets;
- trading volume of our common stock;
- disputes or other developments relating to intellectual property rights, including patents, litigation matters and our ability to obtain, maintain, defend, protect and enforce patent and other intellectual property rights for our technologies;
- threats of or actual significant lawsuits, including patent or stockholder litigation;
- proposed changes to healthcare laws in the U.S. or foreign jurisdictions, or speculation regarding such changes;
- general political and economic conditions, including as a result of geopolitical instability; and
- other events or factors, including the other factors described in this "Risk Factors" section, many of which are beyond our control.

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, in particular following significant drops in stock price. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management's attention and resources from our business.

In addition, in the current volatile market for biotechnology stocks, in particular where shares are trading below cash balances, certain biotechnology investors have advocated for increases in short-term stockholder value through proposed corporate actions such as financial restructurings, special dividends, stock repurchases, mergers, other business combinations or sales of assets. Any such proposals directed at us could cause us to incur substantial costs and divert management's attention and resources from our business.

***Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be our stockholders' sole source of gain.***

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. As a result, capital appreciation, if any, of our common stock will be our stockholders' sole source of gain for the foreseeable future.

***We have broad discretion in the use of our cash, cash equivalents and marketable securities and may not use them effectively.***

Our management has broad discretion in the application of our cash, cash equivalents and marketable securities and could use such funds in ways that do not improve our results of operations or enhance the value of our common stock or in ways that our stockholders may not agree with. The failure by our management to apply these funds effectively could result in financial losses that could cause the price of our common stock to decline and delay the development of our product candidates. Pending their use, we may invest these funds in a manner that does not produce income or that loses value.

***A significant portion of our common stock may be sold into the market, which could cause the market price of our common stock to drop significantly.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly. Sales of substantial amounts of our common stock, or the perception that such sales could occur, could cause the market price of our common stock to decline and impair our ability to raise capital.

We have registered and intend to continue to register all shares of common stock that we may issue under our equity compensation plans. These shares can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates.

Additionally, a significant number of our shares of our common stock and shares of our common stock issuable upon the exercise of pre-funded warrants, or their transferees, have rights, subject to some conditions, to require us to file one or more registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. If we were to register the resale of these shares, they could be freely sold in the public market without limitation. If these additional shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

In connection with the Acquisition Private Placement, we entered into a registration rights agreement, pursuant to which we are required to register for resale the shares purchased in the Acquisition Private Placement and the consideration issued in the Acquisition. Pursuant to this agreement, in July 2024, we filed a registration statement covering the resale of the shares purchased by the purchasers in the Acquisition Private Placement and the consideration issued in connection with the Acquisition. In addition, in connection with the 2026 Private Placement, we filed a registration statement covering the resale of the shares of our common stock and the shares of our common stock issuable upon exercise of the pre-funded warrants purchased in the 2026 Private Placement.

In addition, we agreed to use commercially reasonable efforts to cause such registration statement to become effective as soon as practicable after it was filed with the SEC and to keep such registration statement effective until the date the shares covered by the registration statement have been sold or can be resold without restriction under Rule 144 of the Securities Act.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.***

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and Delaware law could make an acquisition of our company more difficult and may prevent attempts by stockholders to replace or remove current management. Such provisions may discourage proxy contests, delay or prevent mergers or acquisitions, and limit the ability of stockholders to influence corporate actions. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- provide for a classified board of directors whose members serve staggered terms;
- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights and preferences determined by our board of directors that may be senior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors or our chief executive officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of the holders of at least 66 2/3% of our outstanding shares of common stock;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2/3% of our outstanding shares of common stock to amend our bylaws and certain provisions of our certificate of incorporation.

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, which is responsible for appointing the members of our management.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law (DGCL) which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder. Any delay or prevention of a change of control transaction or changes in our management could cause the market price of our common stock to decline.

***Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.***

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the DGCL, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- We will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful.
- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.
- We are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.
- We will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification.
- The rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons.

We may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents. Claims for indemnification may reduce our available funds to satisfy third-party claims or to invest in our business.

***Concentration of ownership of our common stock among our existing executive officers, directors and principal stockholders, including affiliates of RA Capital Management L.P. (RA Capital Management), may limit or prevent new investors from influencing significant corporate decisions and also reduces the public float for our common stock, which could make our common stock less attractive to some investors or otherwise harm our stock price.***

As of September 30, 2026, our executive officers, directors and current beneficial owners of 5% or more of our common stock, in the aggregate, beneficially own approximately 45.9% of our outstanding common stock, inclusive of affiliates of RA Capital Management, which owns approximately 17.6% of our outstanding common stock, but they have the right to exercise pre-funded warrants at any time to purchase up to 33.0% of our common stock (as described below). These stockholders, acting together, are able to significantly influence all matters requiring stockholder approval, including the election of directors and any merger or other significant corporate transaction. The interests of this group of stockholders may not coincide with the interests of other stockholders.

In addition, as a result of this concentration of ownership, there is a limited number of shares of our common stock that are not held by officers, directors and principal stockholders (which is referred to as our public float), thereby adversely impacting the liquidity of our common stock and potentially depressing the price at which our stockholders may be able to sell shares of common stock. This concentration may limit our stockholders' ability to influence corporate matters and could delay or prevent a change in control.

In December 2025, we entered into the Exchange Agreement with RA Capital Management and an entity affiliated with RA Capital Management (the Exchanging Holder) pursuant to which the Exchanging Holder exchanged an aggregate of 20,440,000 shares of our common stock beneficially owned by the Exchanging Holder for a pre-funded warrant to purchase the same number of shares of our common stock. The shares of our common stock exchanged by the Exchanging Holder were retired, and we had 47.7 million shares of common stock outstanding immediately after the transaction. The pre-funded warrant is exercisable at any time, however, the Exchanging Holder will not be entitled to exercise any portion of the pre-funded warrant if, upon giving effect or immediately prior to such exercise, such exercise would result in the aggregate number of shares of our common stock beneficially owned by RA Capital Management, the Exchanging Holder and their respective affiliates, collectively, to exceed 33.0% of the number of shares of our common stock issued and outstanding immediately after giving effect to such exercise, as such percentage ownership is determined in accordance with the terms of the pre-funded warrant. The Exchanging Holder may increase or decrease such percentage to any other

percentage not in excess of 33.0%; provided that any such increase will not be effective until the 61st day after notice from the Exchanging Holder is delivered to us. In addition, in accordance with the terms of the Exchange Agreement, RA Capital Management and the Exchanging Holder have agreed to, and to cause each other account or fund managed by or affiliated with RA Capital Management to, vote all securities beneficially owned by them or their respective affiliates in excess of 33.0% of the total voting power of our outstanding capital stock, in proportion to and in accordance with the vote of all of our stockholders (excluding RA Capital Management and the Exchanging Holder and their respective affiliates). In addition, RA Capital Management purchased additional pre-funded warrants in the 2026 Private Placement, and the shares issuable upon the exercise of such pre-funded warrants will be subject to the Exchange Agreement.

***We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate these material weaknesses, or if we identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect our business.***

Prior to the completion of our IPO, we were a private company with limited accounting personnel to adequately execute our accounting processes and other supervisory resources with which to address our internal control over financial reporting. In connection with the preparation of our consolidated financial statements for the year ended December 31, 2020, we identified material weaknesses in our internal control over financial reporting, two of which remain unremediated as of September 30, 2026. The unremediated material weaknesses, and our remediation plan, are disclosed in Item 4, "Controls and Procedures," of this Quarterly Report.

We believe we have made substantial progress toward achieving the effectiveness of our internal control over financial reporting and disclosure controls and procedures. The actions that have been taken are subject to continued review and testing by management as well as oversight by the audit committee of our board of directors. We will not be able to conclude whether the steps we have taken will fully remediate these material weaknesses in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness.

If we are unable to remediate these weaknesses, or if additional weaknesses are identified, we may not be able to accurately or timely report our financial condition or results of operations, which could adversely affect our business and reputation. Failure to maintain effective internal controls could also result in regulatory investigations, actions, or negative impacts on our stock price.

***If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.***

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (Exchange Act), the Sarbanes-Oxley Act, and the rules and regulations of the Nasdaq Stock Market. Section 302 of the Sarbanes-Oxley Act requires, among other things, that we report on the effectiveness of our disclosure controls and procedures in our quarterly and annual reports and Section 404 of the Sarbanes-Oxley Act requires that we perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting in our Form 10-K filings.

We cannot assure you that the measures we have taken to date, and are continuing to implement, or any measures we may take in the future, will be sufficient to identify or prevent future material weaknesses. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an emerging growth company or a smaller reporting company with less than $100 million in revenue.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by the Nasdaq Stock Market, the SEC or other regulatory authorities. In addition, our common stock may not be able to remain listed on the Nasdaq Stock Market or any other securities exchange.

***Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which restricts our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders. These provisions may restrict our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers, or employees, and may discourage lawsuits or increase costs if a court finds such provisions unenforceable.

In addition, our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These choice of forum provisions will not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Such provisions are intended to benefit and may be enforced by us, our officers and directors, employees and agents, including the underwriters for any offering giving rise to such complaint and any other professional or entity who has prepared or certified any part of the document underlying the offering and may result in increased costs for stockholders to bring a claim.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits with respect to such claims or make such lawsuits more costly for stockholders, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. 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, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions.

If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

**General Risk Factors**

***We are, have been, and may in the future become, involved in litigation that could result in significant costs, divert the attention of management and harm our business.***

From time to time, we may be involved in litigation arising in the ordinary course of business or from specific events. These matters may relate to a wide range of issues, including contracts, intellectual property, employment matters, data protection and privacy, product liability, securities laws, stockholder allegations, or other business practices.

Even if we believe we have strong defenses, we may decide to settle claims for business or strategic reasons, particularly when the risks, costs, and burdens of litigation outweigh the potential benefits of continuing to defend a matter.

Litigation outcomes are unpredictable and the number and complexity of claims may increase as our business grows. Any current or future legal proceedings could materially adversely affect our business, financial condition, cash flows, and operating results.

***If equity research analysts publish unfavorable research or reports about us, our business or our market, our stock price and trading volume could decline.***

Our stock price and trading volume may be influenced by equity research analysts' reports published about us or our business, which we do not control. Unfavorable opinions or reports by an equity research analyst or downgrade by one or more equity research analysts could cause our stock price to decline.

***Unfavorable global economic conditions could adversely affect our business, financial condition, stock price, and results of operations.***

Unfavorable global economic conditions, including volatility, inflation, recession, banking instability, military conflicts, sanctions, tariffs, and trade policy changes, could adversely affect our business, financial condition, stock price, and results of operations. These factors may impact our ability to raise capital, conduct clinical trials, and achieve operating goals.

The global credit and financial markets have experienced extreme volatility and disruptions, including as a result of actual or perceived changes in interest rates, inflation, and macroeconomic uncertainties, which has included severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, high inflation, uncertainty about economic stability, and increases in unemployment rates.

The financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflicts or other geopolitical events. Sanctions, tariffs and general trade policy changes imposed by the U.S. and other countries may also continue to adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability.

There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. A severe or prolonged economic downturn could result in a variety of risks to our business, including a decrease in the demand for our product candidates and in our ability to raise additional capital when needed on acceptable terms, if at all. In addition, current inflationary trends in the global economy may impact salaries and wages, costs of goods and transportation expenses, among other things, and recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures may create market and economic instability. We cannot anticipate all of the ways in which the foregoing, and the current economic climate and financial market conditions generally, could adversely impact our business.

***We are an "emerging growth company" and a "smaller reporting company," and as a result of the reduced reporting requirements applicable to "emerging growth companies" and "smaller reporting companies," our common stock may be less attractive to investors.***

We are an "emerging growth company," as defined in the JOBS Act. For as long as we continue to be an "emerging growth company," we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions until we are no longer an "emerging growth company."

We will be an "emerging growth company" until December 31, 2026. We are also a "smaller reporting company," as defined in the Exchange Act. Even after we no longer qualify as an "emerging growth company," we may still qualify as a "smaller reporting company," which would allow us to continue to take advantage of many of the same exemptions from disclosure requirements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the price of our common stock may be more volatile.

***We may be unable to maintain adequate insurance coverage.***

We presently have general liability, workers' compensation, directors' and officers', cybersecurity, and product liability insurance coverage. Although we believe we will be able to maintain such coverage for a reasonable cost and obtain any additional coverages that our business may require, no assurances can be made that we will be able to do so.

***Changes in tax laws or regulations that are applied adversely to us may seriously harm our business.***

Changes in tax laws or regulations, including the Organization for Economic Co-operation and Development Pillar Two rules and U.S. legislation such as the One Big Beautiful Bill Act or other tax related legislation, could adversely affect our business, financial performance, and tax treatment of future earnings. Existing tax laws may also be interpreted or applied adversely to us.

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

None.

**Item 3. Defaults Upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

*Director and Officer Trading Arrangements*

The adoption or termination of contracts, instructions or written plans for the purchase or sale of our securities by our Section 16 officers and directors for the three months ended September 30, 2026, which are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act ("Rule 10b5-1 Plan"), was as follows:

| Name (Title) | Action taken (Date of Action) | Type of Trading Arrangement | Nature of Trading Arrangement | Duration of Trading Arrangement | Maximum Number of Securities to be Purchased or Sold Pursuant to the Rule 10b5-1 Trading Plan |
|---|---|---|---|---|---|
| Stephen Thomas (Director) | Adoption (September 22, 2026) | Rule 10b5-1 trading arrangement | Sale | Until January 4, 2028, or, if earlier, upon the completed sale of the maximum shares | 150,000 |

**Item 6. Exhibits.**

| Exhibit Number | Description of Exhibit | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| | | Form | File No. | Exhibit | Filing Date |
| 2.1 | Agreement and Plan of Merger and Reorganization, dated as of April 10, 2024, by and among the Company, Tango Merger Sub, Inc., Tenet Medicines, Inc. and, solely in his capacity as the Company Equityholder Representative, Stephen Thomas. | 8-K | 001-40708 | 2.1 | 4/11/2024 |
| 3.1 | Amended and Restated Certificate of Incorporation of the Registrant | 10-Q | 001-40708 | 3.1 | 11/12/2024 |
| 3.2 | Amended and Restated Bylaws of the Registrant | 8-K | 001-40708 | 3.2 | 10/2/2024 |
| 10.1†* | Non-Employee Director Compensation Policy | | | | |
| 10.2#* | Amended and Restated Technology Transfer and Exclusive License Agreement, dated July 14, 2026, by and between the Registrant and Beijing Mabworks Biotech Co., Ltd. | | | | |
| 31.1* | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | |
| 31.2* | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | |
| 32.1+ | Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | |
| 32.2+ | Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document. | | | | |
| 101.SCH | Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents | | | | |
| 104 | Cover Page formatted as Inline XBRL and contained in Exhibit 101 | | | | |

† Indicates management contract or compensatory plan.
* Filed herewith.
# Portions of this exhibit (indicated by asterisks) have been omitted in accordance with Item 601(b)(10)(iv) of Regulation S-K because the omitted information is (i) not material and (ii) the type of information that the Registrant treats as private or confidential.
+ The certifications furnished in Exhibit 32.1 and 32.2 hereto are deemed to be furnished with this Quarterly Report and will not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

**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.

Climb Bio, Inc.

Date: November 5, 2026

By: /s/ Aoife Brennan

Aoife Brennan, M.B., Ch.B.
President and Chief Executive Officer
(*Principal Executive Officer*)

Date: November 5, 2026

By: /s/ Susan Altschuller

Susan Altschuller, Ph.D., MBA
Chief Financial Officer
(*Principal Financial Officer*)

**Exhibit 10.1**

# CLIMB BIO, INC.

## NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Effective as of June 29, 2026, the non-employee directors of Climb Bio, Inc. (the "Company") shall receive the following compensation for their service as members of the Board of Directors (the "Board") of the Company.

**Director Compensation**

The Company's goal is to provide compensation for its non-employee directors in a manner that enables it to attract and retain outstanding director candidates and reflects the substantial time commitment necessary to oversee the Company's affairs. The Company also seeks to align the interests of its directors and its stockholders, and the Company has chosen to do so by compensating its non-employee directors with a mix of cash and equity-based compensation.

***Cash Compensation***

The cash retainers that will be paid to the Company's non-employee directors for service on the Board, and for service on each committee of the Board on which the director is then a member, and the cash retainers that will be paid to the chairperson of the Board, if one is then appointed, and the chairperson of each committee of the Board will be as follows:

| | **Member Annual Retainer** | **Chair Incremental Annual Retainer** |
|---|---|---|
| Board of Directors | $40,000 | $30,000 |
| Audit Committee | $7,500 | $7,500 |
| Compensation Committee | $5,000 | $5,000 |
| Nominating and Corporate Governance Committee | $5,000 | $5,000 |

The foregoing retainers are payable in arrears in four equal quarterly installments on the last day of each fiscal quarter, provided that the amount of such payment is prorated for any portion of such quarter (based on the number of days served in the applicable fiscal quarter) that the director is not serving on the Board, on such committee or in such position.

***Equity Compensation***

Initial Grants. Upon initial election or appointment to the Board, each non-employee director will be granted, automatically and without the need for any further action by the Board, an initial equity award of an option to purchase 80,000 shares of the Company's common stock; provided, that, if such award would have an aggregate grant-date fair value in excess of $700,000, then such award shall be for a number of shares of the Company's common stock having an aggregate grant-date fair value equal to $700,000 (in each case, as determined in accordance with Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto) ("ASC Topic 718")), rounded down to the

nearest whole share. The initial award shall have a term of ten years from the date of the award and shall vest and become exercisable as to 2.7778% of the shares underlying such award at the end of each successive one-month period following the grant date until the third anniversary of the grant date, subject to the director's continued service to the Company through the applicable vesting date. The vesting shall accelerate as to 100% of the shares upon a Change in Control (as defined in the Company's 2021 Equity Incentive Plan), subject to the director's continued service to the Company through such Change in Control. The exercise price shall be the closing price of the Company's common stock as reported on Nasdaq on the date of grant.

Annual Grants. Each non-employee director will be granted, automatically and without the need for any further action by the Board, an equity award on the date of the annual meeting of stockholders an option to purchase 40,000 shares of the Company's common stock; provided, that, if such award would have an aggregate grant-date fair value in excess of $350,000, then such award shall be for a number of shares of the Company's common stock having an aggregate grant-date fair value equal to $350,000 (in each case, as determined in accordance with ASC Topic 718), rounded down to the nearest whole share. The annual award shall have a term of ten years from the date of the award and shall vest and become exercisable in full on the one-year anniversary of the grant date (or, if earlier, the date immediately prior to the date of the first annual meeting of stockholders occurring after the grant date), subject to the director's continued service to the Company through such applicable vesting date. The vesting shall accelerate as to 100% of the shares upon a Change in Control, subject to the director's continued service to the Company through such Change in Control. The exercise price shall be the closing price of the Company's common stock as reported on Nasdaq on the date of grant.

The foregoing share amounts shall be automatically adjusted in the event of any change that is made in, or other events that occur with respect to, the Company's common stock subject without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in ASC Topic 718, but not upon the conversion of any convertible securities of the Company.

The initial awards and the annual awards shall be subject to the terms and conditions of the Company's 2021 Equity Incentive Plan, as it may be amended and/or restated from time to time, or any successor plan, and the terms of the option agreements entered into with each director in connection with such awards.

***Expenses***

Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each non-employee director shall be reimbursed for their reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and committees thereof or in connection with other business related to the Board, and each non-employee director shall also be reimbursed for their reasonable out-of-pocket business expenses authorized by the Board or a committee of the Board that are incurred in connection with attendance at various conferences or meetings with management of the Company, in accordance with the Company's travel policy, as it may be in effect from time to time.

Exhibit 10.2

Certain identified information has been excluded from the exhibit because it is both (i) not material and (ii) is the type of information that the registrant treats as private or confidential. Double asterisks denote omissions.

**AMENDED AND RESTATED**

**TECHNOLOGY TRANSFER AND EXCLUSIVE LICENSE AGREEMENT**
**by and between**

**BEIJING MABWORKS BIOTECH CO., LTD.**
**and**

**CLIMB BIO, INC.**

**TABLE OF CONTENTS**

**Page**


Article 1 DEFINITIONS 1
Article 2 Technology TRANSFER AND LICENSES 20
2.1. Technology Transfer And License Grants 20
2.2. Right to Sublicense and Subcontract 21
2.3. No Other Rights and Retained Rights 22
2.4. Exclusivity. 22
2.5. Right of First Refusal. 23
2.6. Gray Market Restrictions 24
Article 3 GOVERNANCE 25
3.1. Alliance Managers 25
3.2. Joint Steering Committee. 25
3.3. Joint Development Committee. 27
3.4. Joint Manufacturing Committee. 28
3.5. Joint Legal and Intellectual Property Committee. 29
3.6. Other Committees. 31
3.7. Limitation of Authority 31
3.8. JSC Decision-Making 31
Article 4 DEVELOPMENT 34
4.1. General.
4.2. Development Plans 34
4.4. Buy-In Rights. 36
4.5. Development Report 37
4.6. Records 37
4.7. Audit Rights. 37
4.8. Development Diligence 37
4.9. Development Technology Transfer and Assistance 37
4.10. Development Costs. 38
Article 5 REGULATORY 39
5.1. General 39
5.2. Assignment of Regulatory Materials 39
5.3. Regulatory Approval Holder 39
5.4. Regulatory Assistance 40
5.5. Regulatory Materials 40
5.6. Regulatory Costs 40
5.7. Adverse Events Reporting 40
5.8. Notice of Regulatory Action 41

5.9. Regulatory Audits and Inspection 41
5.10. No Harmful Actions 41
5.11. Remedial Actions 42
Article 6 SUPPLY; Manufacturing Transfer 42
6.2. Quality Agreement 42
6.3. Commercial Supply. 42
6.4. Manufacturing Know-How Transfer and Assistance. 43
Article 7 COMMERCIALIZATION 44
7.1. General 44
7.2. Commercialization Diligence 44
Article 8 FINANCIAL PROVISIONS 44
8.1. Upfront Payment 44
8.2. Development Milestone Payments 44
8.3. Sales Milestone Payments 45
8.4. Royalty Payments 46
8.5. Third Party Technology 48
8.6. Sublicense Payments 48
8.7. Taxes and Withholding 49
8.8. Disputed Payments 50
8.9. Offsets 50
8.10. Currency Conversion 51
8.11. Blocked Payments 51
8.12. Payment Method 51
8.13. Financial Audits 51
Article 9 INTELLECTUAL PROPERTY 53
9.1. Inventions 53
9.2. Patent Prosecution 54
9.3. Patent Enforcement 55
9.4. Infringement of Third Party Rights 57
9.5. Purple Book Listing 57
9.6. Trademarks 57
Article 10 CONFIDENTIALITY 59
10.1. Confidentiality 59
10.2. Confidential Information 59
10.3. Exceptions 59
10.4. Authorized Disclosure 60
10.5. Publicity 61
10.7. Prior CDA 62
10.8. Equitable Relief 62

10.9. Attorney-Client Privilege 62
10.10. Residual Knowledge 63
Article 11 REPRESENTATIONS AND WARRANTIES 63
11.1. Representations and Warranties of Each Party 63
11.2. Representations and Warranties of Mabworks 64
11.3. Covenants of Mabworks 67
11.4. Covenants of Each Party. 68
11.5. NO OTHER WARRANTIES 68
Article 12 INDEMNIFICATION 68
12.1. Indemnification by Climb 68
12.2. Indemnification by Mabworks 69
12.3. Indemnification Procedure 69
12.4. Mitigation of Loss 70
12.5. Limitation of Liability 70
12.6. Insurance 70
Article 13 TERM AND TERMINATION 71
13.1. Term 71
13.2. Termination 71
13.3. Effects of Termination 72
13.4. Survival 74
Article 14 DISPUTE RESOLUTION 74
14.1. Disputes 74
14.2. Resolution by Executive Officers 74
14.3. Binding Arbitration 74
14.4. Baseball Arbitration 76
Article 15 MISCELLANEOUS 77
15.1. Force Majeure 77
15.2. Assignment; Change of Control 77
15.3. Severability 78
15.4. Notices 78
15.5. Governing Law 79
15.6. Entire Agreement; Amendments 79
15.7. Headings 79
15.8. Performance by Affiliates 79
15.9. Independent Contractors 79
15.10. Waiver 79
15.11. Cumulative Remedies 79
15.12. Waiver of Rule of Construction 79
15.13. Business Day Requirements 79

15.14. English Language 80
15.15. Further Actions 80
15.16. Construction 80
15.17. Counterparts 80

**SCHEDULES**

Schedule 1.92 Licensed Patent Rights as of the Effective Date
Schedule 1.103 MIL116
Schedule 1.173 Upstream In-Licenses
Schedule 4.2.1 ROW Development Plan
Schedule 4.2.2 China Development Plan
Schedule 4.2.3 Collaboration Development Plan
Schedule 4.9.1 Initial Transfer to Climb of the Licensed Know-How
Schedule 4.11 Master Services Agreement Terms
Schedule 6.1(a) Clinical Supply Terms
Schedule 6.1(b) [**] Clinical Supply Pricing
Schedule 6.4.1 Manufacturing Know-How Transfer
Schedule 10.5.2 Press Release
Schedule 11.2 Disclosure Schedule of Mabworks

# AMENDED AND RESTATED TECHNOLOGY TRANSFER AND EXCLUSIVE LICENSE AGREEMENT

This **AMENDED AND RESTATED TECHNOLOGY TRANSFER AND EXCLUSIVE LICENSE AGREEMENT** (this "**Agreement**") is made as of July 14, 2026 (the "**Effective Date**"), by and between **Beijing Mabworks Biotech Co., Ltd.**, a corporation duly organized and existing under the laws of the People's Republic of China and having a place of business at Room 2505, Building 1, Yard 2, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing, China ("**Mabworks**"), and **Climb Bio, Inc.**, a company organized and existing under the laws of Delaware and having a place of business at 20 William Street, Suite 145, Wellesley Hills, MA 02481 ("**Climb**"). Mabworks and Climb are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

## RECITALS

**WHEREAS**, Mabworks is a biological medicine company focused on the research, development and commercialization of innovative therapeutic monoclonal antibodies, oncology drugs and other products in the China Territory (defined below) and has developed a proprietary antibody program identified as MIL116;

**WHEREAS**, Climb is a clinical-stage biotechnology company focused on the research, development, and commercialization of innovative therapeutic pipeline for immune-mediated diseases;

**WHEREAS**, Climb and Mabworks entered into that certain Technology Transfer and Exclusive License Agreement dated and effective as of January 8, 2025 (the "**Original Agreement Effective Date**," and such agreement, the "**Original Agreement**") pursuant to which Mabworks granted to Climb an exclusive license to Research, Develop, Manufacture, and Commercialize the Licensed Compounds and Licensed Products (each as defined below) outside of the China Territory, subject to the terms and conditions set forth therein; and

**WHEREAS**, Mabworks and Climb acknowledge that their collaboration under the Original Agreement has advanced, and, in light of the importance of accelerating Development to address patient needs, the Parties desire to amend and restate the Original Agreement to further collaborate on Development activities, including Clinical Trials, as may be agreed by the Parties.

## AGREEMENT

**NOW THEREFORE**, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and intending to be bound hereby, the Parties agree to amend and restate the Original Agreement as follows:

## ARTICLE 1
## DEFINITIONS

Unless the context otherwise requires, the terms in this Agreement with initial letters capitalized will have the meanings set forth below:

**1.1.** "**Accounting Standards**" means, with respect to a Person, either (a) U.S. generally accepted accounting principles ("**U.S. GAAP**") or (b) international financial reporting standards ("**IFRS**"), in each case, as generally and consistently applied throughout such Person's organization.

**1.2.** "**Active Ingredient**" means any clinically active material that provides pharmacological activity in a pharmaceutical product (excluding formulation components such as coatings, stabilizers, excipients or solvents, adjuvants, or controlled release technologies).

**1.3.** "**Affiliate**" means, with respect to a particular Party or Person, any other Person that controls, is controlled by, or is under common control with such Party or Person. For the purposes of this definition, the word "control" (including, with correlative meaning, the terms "controlled by" or "under common control with") means (a) direct or indirect beneficial ownership of 50% or more of the voting stock or other ownership interest of, or 50% or more interest in the income of, the applicable Person, or (b) the possession, directly or indirectly, of the power to direct the management or policies of the applicable Person, whether through the ownership of voting securities or other equity rights, by contract relating to voting rights or corporate governance, or otherwise. Notwithstanding the foregoing or any provision to the contrary set forth in this Agreement, Affiliates of Climb do not include, for purposes of this Agreement, RA Capital Management, LP ("**RA Capital**") or its Affiliates, any investment fund affiliated with RA Capital, or any portfolio company of any such preceding entity, except for (x) Climb (y) subsidiaries of Climb, and (z) any entity that Climb directly or indirectly controls.

**1.4.** "**Agreement**" has the meaning set forth in the preamble.

**1.5.** "**Alliance Manager**" has the meaning set forth in Section 3.1 (Alliance Managers).

**1.6.** "**Annual Net Sales**" means, with respect to the Licensed Products and a particular Calendar Year, the Net Sales of all Licensed Products in such Calendar Year, excluding Net Sales of any Licensed Product in such Calendar Year in any country in the ROW Territory to the extent the Royalty Term for such Licensed Product in such country has expired.

**1.7.** "**Applicable Law**" means all laws, statues, rules, regulations, ordinances, decrees, judicial and administrative orders (and any license, franchise, permit, or similar right granted under any of the foregoing), and any policies and other requirements of any applicable Governmental Authority that govern or otherwise apply to a Party or the activities contemplated herein, including: the Foreign Corrupt Practices Act, FFDCA, DAL, the Human Genetic Resources Regulations, the Provisions for Drug Registration of the NMPA, the Data Security Law of the P.R.C., and the Personal Information Protection Law of the P.R.C.

**1.8.** "**APRIL**" means a proliferation-inducing ligand, also known as tumor necrosis factor ligand superfamily member 13 (TNFSF13).

**1.9.** "**Bankruptcy Code**" means Title 11, United States Code, as amended, or analogous provisions of Applicable Law outside the United States.

**1.10.** "**Biosimilar Product**" means, with respect to a particular Licensed Product in a particular country in the ROW Territory, a pharmaceutical product that (a) has obtained Regulatory Approval by the applicable Regulatory Authority, under any then-existing Applicable Law pertaining to approval of biosimilar products or (b) is otherwise approved as a "substitution" or "interchangeable" product by the applicable Regulatory Authority, which approval in (a) or (b) is based on an abbreviated follow-on biological marketing approval application that relies on the prior Regulatory Approval (or data therein) of such Licensed Product.

**1.11.** "**BLA**" means a Biologics License Application submitted to FDA pursuant to 21 U.S.C. §601.2 (or a successor regulation thereto), for purposes of obtaining Regulatory Approval for a new biologic

in the United States, or any equivalent filing in a country or regulatory jurisdiction other than the United States.

**1.12.** "**Breaching Party**" has the meaning set forth in Section 13.2.2 (Termination for Material Breach).

**1.13.** "**Business Day**" means a day other than Saturday, Sunday, or any day on which banks located in the Commonwealth of Massachusetts, U.S.A. or Beijing, China are authorized or required by Applicable Law to remain closed. Whenever this Agreement refers to a number of days, such number will refer to calendar days unless Business Days are specified.

**1.14.** "**Calendar Quarter**" means the respective periods of three consecutive calendar months ending on March 31, June 30, September 30 and December 31; *provided* that (a) the first Calendar Quarter will begin on the Effective Date and end on last day of the Calendar Quarter within which the Effective Date falls, and (b) the last Calendar Quarter of the Term will end upon the effective date of expiration or termination of this Agreement.

**1.15.** "**Calendar Year**" means the respective periods of twelve consecutive calendar months beginning on January 1 and ending on December 31; *provided* that (a) the first Calendar Year will begin on the Effective Date and end on the last day of the Calendar Year within which the Effective Date falls, and (b) the last Calendar Year of the Term will end upon the effective date of expiration or termination of this Agreement.

**1.16.** "**cGMP**" means all applicable current Good Manufacturing Practices, including, as applicable, the principles detailed in China Good Manufacturing Practices for Pharmaceutical Products (2010 Revision) (as amended) ("**China cGMP**"), the U.S. Current Good Manufacturing Practices, 21 C.F.R. Parts 4,210,211,601,610 and 820 ("**U.S. cGMP**"), the European Directive 2003/94/EC and Eudralex 4, including the principles detailed in the International Conference on Harmonization ("**ICH**") Q7 guidelines ("**EU cGMP**"), and the equivalent in any additional relevant country or jurisdiction, each as may be amended and applicable from time to time.

**1.17.** "**Change of Control**" means, with respect to a Party, (a) a merger, reorganization, consolidation, or other transaction involving such Party and any entity that is not an Affiliate of such Party as of the Effective Date that results in the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to represent more than 50% of the combined voting power of the surviving entity immediately after such merger, reorganization, consolidation or other transaction, (b) any entity that is not an Affiliate of such Party as of the Effective Date becoming the beneficial owner of more than 50% of the combined voting power of the outstanding securities of such Party or otherwise acquiring the power (whether through ownership interest, contractual right or otherwise) to direct or cause the direction of the management or policies of such Party, except in each case ((a) and (b)), if such entity involved in such transaction in clause (a) or such entity acquiring beneficial ownership in clause (b) is RA Capital or its Affiliates, or any investment fund affiliated with RA Capital or its Affiliates; (c) the sale or other transfer to a Third Party of all or substantially all of such Party's and its controlled Affiliates' assets; or (d) entry into such other arrangement or agreement whereby a Third Party (or a group of Third Parties acting in concert) obtains the right to control the board of directors or equivalent governing body that has the ability to cause the direction of the management, policies, or affairs of such Party.

**1.18.** "**China cGMP**" has the meaning set forth in Section 1.16 ("cGMP").

**1.19.** "**China Development Plan**" has the meaning set forth in Section 1.44 ("Development Plan").

**1.20.** "**China Territory**" means mainland China, Hong Kong, Macau, and Taiwan.

**1.21.** "**Claims**" has the meaning set forth in Section 12.1 (Indemnification by Climb).

**1.22.** "**Climb**" has the meaning set forth in the preamble.

**1.23.** "**Climb APRIL Product**" means any product, regardless of form, formulation, dosage form, packaging or labeling, that (a) is Controlled by Climb and its Affiliates, and (b) contains an antibody directed to APRIL (including [**]

**1.24.** **"Climb Buy-In Election"** has the meaning set forth in Section 4.4.2 (Climb Buy-In Rights).

**1.25.** "**Climb Indemnitee(s)**" has the meaning set forth in Section 12.2 (Indemnification by Mabworks).

**1.26.** "**Clinical Supply Agreement**" has the meaning set forth in Section 6.1 (Clinical Supply Agreement).

**1.27.** "**Clinical Trial**" means any clinical trial for a compound or product in humans, as that term is defined in FDA regulations at 21 C.F.R. § 312.3, or a similar clinical investigation conducted on human subjects, as defined under Applicable Law outside the United States. Without limiting the foregoing, "Clinical Trial" includes any Phase 1 Clinical Trial, Phase 2 Clinical Trial, Phase 3 Clinical Trial or Registrational Trial.

**1.28.** "**Collaboration Study**" has the meaning set forth in Section 4.2.3 ("Collaboration Development Plan").

**1.29.** "**Combination Product**" has the meaning set forth in Section 1.105 ("Net Sales").

**1.30.** "**Commercialization**" means all activities directed to pre-launch, launch, promotion, detailing, medical education and medical liaison activities, marketing, pricing, reimbursement, sale, offering for sale, import, export, distribution, use, prescription or administration of products, including strategic marketing, sales force detailing, advertising, all customer support, invoicing, and sales activities, including interacting with Governmental Authorities regarding any of the foregoing, but excluding activities directed to Manufacture or Development. "**Commercialize**" and "**Commercializing**" have correlative meanings.

**1.31.** "**Commercially Reasonable Efforts**" means, with respect to the efforts to be expended by or on behalf of Climb or its Affiliate with respect to any development or commercialization obligation related to a Licensed Product under this Agreement, those efforts that [**] [**] Commercially Reasonable Efforts will be determined on a country-by-country and indication-by-indication basis for the applicable Licensed Product, and it is anticipated that the level of effort will change over time, reflecting changes in the status of such Licensed Product (as applicable) and the market or country involved. Mabworks expressly understands and accepts that the use of Commercially Reasonable Efforts may result in Climb ceasing the development or commercialization of a particular Licensed Product (in whole or in part), and that once development or commercialization for a particular Licensed Product has ceased in compliance with this Agreement, Commercially Reasonable Efforts does not require the continued re-evaluation of whether development or commercialization must be re-initiated for such Licensed Product.

**1.32.** "**Committee**" has the meaning set forth in Section 3.7 (Limitation of Authority).

**1.33.** "**Company Mark**" means any Trademark of a Party or its Affiliates (including the corporate name of a Party or any of its Affiliates) which is adopted by such Party for use on or in connection with goods (other than the Licensed Compounds or Licensed Products) or services.

**1.34.** "**Competitive Product**" means any product, regardless of form, formulation, dosage form, packaging or labeling, that is directed to APRIL.

**1.35.** "**Confidential Information**" of a Party means all Know-How, unpublished Patent Right applications, and other information or data of a financial, commercial, business, scientific, or technical nature of such Party that is disclosed by or on behalf of such Party or any of its Affiliates or otherwise made available (the "**Disclosing Party**" with respect to such information) to the other Party or any of its Affiliates (the "**Receiving Party**" with respect to such information) pursuant to this Agreement, regardless of whether such information is specifically marked or designated as confidential and regardless of whether such information is in written, oral, electronic, or other form.

**1.36.** "**Control**" or "**Controlled**" means the possession by a Party or its Affiliates (whether by ownership, license, or otherwise, other than pursuant to this Agreement) of, (a) with respect to any tangible Know-How or materials, the legal authority or right to physical possession of such tangible Know-How or materials, with the right to provide such tangible Know-How or materials to the other Party on the terms set forth herein, (b) with respect to Patent Rights, Regulatory Approvals, Regulatory Materials, intangible Know-How, or other intellectual property, the legal authority or right to grant a license, sublicense, access, or right to use (as applicable) to the other Party under such Patent Rights, Regulatory Approvals, Regulatory Materials, intangible Know-How, or other intellectual property on the terms set forth herein, or (c) with respect to a product or component thereof, the legal authority or right to grant a license, sublicense, access, or right to use (as applicable) to the other Party under Patent Rights that Cover or proprietary Know-How that is incorporated in or embodies such product or component on the terms set forth herein, in each case ((a), (b), and (c)), without breaching or otherwise violating the terms of any arrangement or agreement with a Third Party in existence as of the time such Party or its Affiliates would first be required hereunder to grant the other Party such access, right to use, license, or sublicense.

**1.37.** "**Cover**," "**Covering**" or "**Covered**" means, with respect to a particular subject matter at issue and a relevant Patent Right or individual claim in such Patent Right, as applicable, that the manufacture, use, sale, offer for sale, or importation of such subject matter would fall within the scope of one or more claims in such Patent Right or the individual claim of such Patent Right.

**1.38.** "**Cure Period**" has the meaning set forth in Section 13.2.2 (Termination for Material Breach).

**1.39.** "**DAL**" means the Drug Administration Law of the People's Republic of China, Implementing Rules of the Drug Administration Law of the People's Republic of China, and the equivalent laws of other countries and jurisdictions in the China Territory, in each case, as the same may be amended from time to time.

**1.40.** " **Development**" or "**Develop**" means all internal and external research, development, and regulatory activities related to pharmaceutical or biologic products, including (a) toxicology testing and studies, non-clinical and preclinical testing, and Clinical Trials, and (b) preparation, submission, review, and development of data or information for the purpose of submission to a Regulatory Authority to obtain authorization to conduct Clinical Trials and to obtain, support, or maintain Regulatory Approval of a pharmaceutical or biologic product and interacting with

Regulatory Authorities following receipt of Regulatory Approval in the applicable country or region for such pharmaceutical or biologic product regarding the foregoing, but excluding activities directed to Manufacturing, or Commercialization. Development will include development and regulatory activities for additional forms, formulations, or indications for a pharmaceutical or biologic product after receipt of Regulatory Approval of such product (including label expansion), including Clinical Trials initiated following receipt of Regulatory Approval or any Clinical Trial to be conducted after receipt of Regulatory Approval that was mandated by the applicable Regulatory Authority as a condition of such Regulatory Approval with respect to an approved formulation or indication (such as post-marketing studies, observational studies, in each case, if required by any Regulatory Authority in any region in the Territory to support or maintain Regulatory Approval for a pharmaceutical or biologic product in such region). "**Developing**" and "**Developed**" will be construed accordingly.

**1.41.** "**Development MSA**" has the meaning set forth in Section 4.11.

**1.42.** "**Development Milestone Event**" has the meaning set forth in Section 8.2.1 (Development Milestones).

**1.43.** "**Development Milestone Payment**" as the meaning set forth in Section 8.2.1 (Development Milestones).

**1.44.** "**Development Plan**" means a written plan having three parts: (a) a written plan setting forth the Development activities for the Licensed Compounds and Licensed Products to be conducted in the ROW Territory ("**ROW Development Plan**"), (b) a written plan setting forth the Development activities for the Licensed Compounds and Licensed Products to be conducted in the China Territory ("**China Development Plan**"), and (c) a written plan setting forth the Development activities for the Licensed Compounds and Licensed Products to be jointly conducted by the Parties, ("**Collaboration Development Plan**"), which shall include collaborative or coordinated Development activities that are not specific solely to the ROW Territory or the China Territory.

**1.45.** "**Disclosing Party**" has the meaning set forth in Section 1.35 ("Confidential Information").

**1.46.** "**Dispute**" and "**Disputes**" have the meaning set forth in Section 14.1 (Disputes).

**1.47.** "**Dollars**" or "**$**" means U.S. dollars, the lawful currency of the U.S.

**1.48.** "**Effective Date**" has the meaning set forth in the preamble.

**1.49.** "**EMA**" means the European Medicines Agency or any successor entity.

**1.50.** "**EU cGMP**" has the meaning set forth in Section 1.16 ("cGMP").

**1.51.** "**Executive Officers**" means (a) with respect to Climb, [**] and (b) with respect to Mabworks, [**]

**1.52.** "**Existing Manufacturing Know-How**" has the meaning set forth in Section 6.4.1 (MTT Plan; Initial Transfer).

**1.53.** "**Existing PCT Application**" has the meaning set forth in Schedule 1.92 (Licensed Patent Rights as of the Effective Date).

**1.54.** " **Exploit**" or "**Exploitation**" means to Develop, have Developed, Manufacture, have Manufactured, Commercialize, have Commercialized, or otherwise exploit or have exploited.

**1.55.** "**FDA**" means the U.S. Food and Drug Administration or any successor entity.

**1.56.** "**FFDCA**" means the U.S. Federal Food, Drug, and Cosmetic Act, as amended from time to time.

**1.57.** "**Field**" means all uses.

**1.58.** "**First Commercial Sale**" means, on a country-by-country and Licensed Product-by-Licensed Product basis, the first sale of a given Licensed Product under this Agreement by Climb, its Affiliates, or its Sublicensees to an end user or prescriber for use, consumption, or resale of such Licensed Product in such country in the ROW Territory in the Field where Regulatory Approval of the Licensed Product has been obtained and where the sale results in a recordable Net Sale. For clarity, First Commercial Sale will not include any sale or transfer of the Licensed Products prior to receipt of Regulatory Approval or that would not otherwise be deemed Net Sales hereunder, including any *bona fide* charitable, compassionate use or indigent patient program purpose, use as a sample, or transfers of a Licensed Product to Third Parties for the performance of Clinical Trials.

**1.59.** "**Force Majeure Event**" has the meaning set forth in Section 15.1 (Force Majeure).

**1.60.** "**Foreground Know-How**" means any Know-How that is first developed, conceived, or reduced to practice during the Term by or on behalf of a Party, any of its Affiliates, Sublicensees, or licensees, either alone or jointly, in the performance of any activities under the Agreement.

**1.61.** "**Foreground Patent Rights**" means any Patent Rights that Cover any Foreground Know-How.

**1.62.** "**Foreground Technology**" means, collectively, the Foreground Patent Rights and Foreground Know-How.

**1.63.** "**Fully Burdened Cost**" means, with respect to any Licensed Compound or Licensed Product supplied by or on behalf of Mabworks to Climb hereunder:

(a) if such Licensed Compound or Licensed Product (or any precursor or intermediate thereof) is manufactured by a Third Party manufacturer, the allocable portion of any actual amount invoiced to Mabworks by a Third Party without markup for such manufacturing, including certain reasonable costs of raw materials, cell bank manufacture, storage and maintenance, intermediates and components, reference materials or standards required for release testing, materials necessary to support stability studies (including methods, reference materials and consumables), drug substance and drug product manufacturing and associated process improvements, labelling and packaging, quality assurance and stability testing, characterization testing, quality control release testing of drug substance and drug product, quality assurance batch record review and release of product, storage and freight, shipping, tariffs, customs clearance and export fees, but excluding any internal costs (such as any costs for general overhead, communication, operating supplies or other equipment) incurred by Mabworks; and

(b) if such Licensed Compound or Licensed Product (or any precursor or intermediate thereof) is manufactured by Mabworks or its Affiliate, the actual, fully burdened cost of such manufacturing, including the cost associated with cell bank

manufacture, storage and maintenance and/or raw materials, direct labor and other reasonable and customary manufacturing-related costs for such Licensed Compound or Licensed Product. Such fully burdened costs will be calculated in accordance with U.S. GAAP, consistently applied and will be evidenced by invoices or other written documentation.

**1.64.** "**GCP**" means all applicable Good Clinical Practice standards for the design, conduct, performance, monitoring, auditing, recording, analyses, and reporting of Clinical Trials, including, as applicable (a) as set forth in the ICH Technical Requirements for Registration of Pharmaceuticals for Human Use Harmonized Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95) and any other guidelines for good clinical practice for trials on medicinal products in the ROW Territory, (b) the Declaration of Helsinki (2024) as last amended at the 64th World Medical Association in October 2024 and any further amendments or clarifications thereto, (c) 21 C.F.R. Parts 50 (Protection of Human Subjects), 56 (Institutional Review Boards), and 312 (Investigational New Drug Application), as may be amended from time to time, and (d) the equivalent Applicable Law in the ROW Territory, each as may be amended and applicable from time to time and in each case, that provide for, among other things, assurance that the clinical data and reported results are credible and accurate and protect the rights, integrity, and confidentiality of trial subjects.

**1.65.** "**Global Study**" means a clinical study designed to obtain Regulatory Approvals for the Licensed Products in multiple jurisdictions through the conduct of a Clinical Trial in multiple medical institutions, countries, regions, or territories and conducted as part of one unified Clinical Trial or separately but concurrently in accordance with a common Clinical Trial protocol.

**1.66.** "**Global Study Negotiation Period**" has the meaning set forth in Section 4.3.1 (Agreement on Global Study).

**1.67.** "**Global Trademark**" has the meaning set forth in Section 9.6.1 (Global Trademarks).

**1.68.** "**Governmental Authority**" means any court, tribunal, arbitrator, agency, ministry, commission, authority, department, official or other instrumentality of, or being vested with public authority under any law of, any country, region, state, or local authority or any political subdivision thereof, or any association of countries.

**1.69.** "**Government Official**" means any official, officer, employee, or representative of (a) any Governmental Authority, (b) any public international organization or any department or agency thereof, or (c) any company or other entity owned or controlled by any Governmental Authority.

**1.70.** "**ICC**" has the meaning set forth in Section 14.3.1 (ICC Arbitration).

**1.71.** "**ICH**" has the meaning set forth in Section 1.16 ("cGMP").

**1.72.** "**IFRS**" has the meaning set forth in Section 1.1 ("Accounting Standards").

**1.73.** "**IND**" means an Investigational New Drug application as defined in the FFDCA, as amended, or any comparable filings outside of the United States required to commence human clinical trials in such country or region, and all supplements or amendments that may be filed with respect to the foregoing.

**1.74.** "**IND Acceptance**" means, (a) with respect to an IND in the United States, the later of (i) the occurrence of 30 days following the FDA's receipt of such IND if the FDA does not place a clinical

hold with respect to such IND filing in such 30-day period and the IND filing has not been withdrawn in such 30-day period or (ii) if the FDA places a clinical hold with respect to such IND during such 30-day period, the FDA's notification of the lifting of such clinical hold and (b) with respect to an IND in a country other than the United States, the clearance of such IND in accordance with Applicable Law such that the Clinical Trial described in such IND may be initiated.

**1.75.** "**Indemnified Party**" has the meaning set forth in Section 12.3 (Indemnification Procedure).

**1.76.** "**Indemnifying Party**" has the meaning set forth in Section 12.3 (Indemnification Procedure).

**1.77.** "**Indication**" means a separate and distinct disease, syndrome, disorder, or medical condition, that a Licensed Product is intended to treat, prevent, or ameliorate. For the purposes of this definition: (a) moving from one line of therapy to another within disease (e.g., moving from second-line therapy to first-line therapy) or changes in temporal position in a treatment algorithm for the same disease, in each case, will not be considered to be a new Indication; (b) a single Indication includes the primary disease and all variants (whether classified by severity or otherwise), sub-types, sub-divisions, or sub-classifications within such primary disease and all primary symptoms associated with such disease, and regardless of prophylactic or therapeutic use, pediatric or adult use, and irrespective of different formulation(s), dosage forms, dosage strengths, routes of administration, or delivery system(s) used; and (c) initiating a Clinical Trial or obtaining Regulatory Approval for use of a pharmaceutical or biological product in combination with another pharmaceutical or biological product, where a Clinical Trial had been initiated or Regulatory Approval obtained for such first pharmaceutical or biological product for use as monotherapy or in combination with a different pharmaceutical or biological product, will not be considered to be a new Indication.

**1.78.** "**Inflation Reduction Act**" means P.L. 117-169 (Aug. 16, 2022), as codified at 42 U.S.C. § 1320f, 42 U.S.C. § 1395w-3a and 42 U.S.C. § 1395w-114a (inter alia), and as it may be amended from time to time, together with any rules, regulations and requirements promulgated thereunder (including all additions, supplements, extensions, and modifications thereto).

**1.79.** "**Initiation**" means, with respect to a Clinical Trial of a Licensed Product, the dosing of the [**] human subject for such Clinical Trial.

**1.80.** "**Insolvency Event**" means, with respect to a given Party, (a) that such Party has a receiver or similar officer appointed over all or substantially all of such Party's assets, (b) the institution of any bankruptcy, receivership, insolvency, reorganization, or other similar proceedings by or against such Party under any bankruptcy, insolvency, or other similar law now or hereinafter in effect, but only if such Party brings or consents to such proceedings or such proceedings are not dismissed within [**] after the filing th ereof, (c) that such Party makes an assignment for the benefit of its creditors (other than relating to a solvent restructuring), or (d) any corporate action taken by the board of directors of such Party in furtherance of any of the foregoing actions.

**1.81.** "**Joint Development Activities**" means Development activities in furtherance of the Collaboration Development Plan. For clarity, Joint Development Activities may be performed under the Development MSA (as defined in Section 4.11 (Additional Development Services)) as agreed to by the Parties.

**1.82.** "**Joint Development Committee**" and "**JDC**" have the meanings set forth in Section 3.3.1 (Purpose; Formation).

**1.83.** "**Joint Foreground Know-How**" means any Foreground Know-How that is developed, conceived, or reduced to practice by one or more employee(s), contractor(s) or agent(s) of (a) Climb or its Affiliates and (b) Mabworks or its Affiliates, jointly with each other (including with a Third Party).

**1.84.** "**Joint Foreground Patent Rights**" means any Foreground Patent Rights (a) Covering Joint Foreground Know-How or (b) Covering other inventions, in each case (a)-(b), developed, conceived, or reduced to practice by one or more employee(s), contractor(s) or agent(s) of (i) Climb or its Affiliates and (ii) Mabworks or its Affiliates, jointly with each other (including with a Third Party).

**1.85.** "**Joint Foreground Technology**" means all Joint Foreground Know-How and Joint Foreground Patent Rights.

**1.86.** "**Joint Legal and Intellectual Property Committee**" and "**JLIPC**" have the meanings set forth in Section 3.5.1 (Purpose; Formation).

**1.87.** "**Joint Manufacturing Committee**" and "**JMC**" have the meanings set forth in Section 3.4.1 (Purpose; Formation).

**1.88.** "**Joint Steering Committee**" and "**JSC**" have the meanings set forth in Section 3.2.1 (Purpose; Formation).

**1.89.** "**Know-How**" means any proprietary commercial, scientific, or technical information, results, or data of any type whatsoever, in any tangible or intangible form whatsoever, including databases, safety information, practices, procedures, methods, techniques, specifications, formulations, formulae, knowledge, know-how, trade secrets, instructions, skill, experience, designs, drawings, assembly procedures, computer programs, records, improvements, modifications, techniques, assays, physical, chemical or biological materials, designs, protocols, data including pharmacological, medicinal chemistry, biological, chemical, biochemical, toxicological, non-clinical and clinical data, analytical and quality control data, stability data, studies and procedures, manufacturing process and development information, results and data, regulatory data, Regulatory Materials, study designs and protocols, dosage regimens, control assays, assay standards and references, cells, cell lines, animal models, product specifications, marketing, pricing and distribution costs, inventions, processes, utilities, compositions of matter, articles of manufacture, creations, discoveries, findings, algorithms, forecasts, profiles, strategies, plans, results in any form whatsoever (in each case, whether or not patentable, copyrightable, or otherwise protectable), and any physical embodiments of any of the foregoing.

**1.90.** "**Licensed Compound**" means (a) MIL116, (b) all derivative compounds associated with Mabworks' MIL116 program, including, but not limited to, compounds that [**] and (c) any improvements, modifications and derivatives of the foregoing compounds in clauses (a) and (b).

**1.91.** "**Licensed Know-How**" means any and all Know-How that is (a) owned or otherwise Controlled by Mabworks or any of its Affiliates as of the Effective Date or during the Term (including Mabworks' interest in any Joint Foreground Know-How owned or Controlled by Mabworks or any of its Affiliates at any time during the Term) and (b) necessary or useful to Exploit the Licensed Compounds or Licensed Products in the Field.

**1.92.** "**Licensed Patent Rights**" mean Patent Rights that (a) are owned or otherwise Controlled by Mabworks or any of its Affiliates as of the Effective Date or during the Term (including Mabworks' interest in any Joint Foreground Patent Rights owned or Controlled by Mabworks or any of its

Affiliates at any time during the Term), and (b) Cover any Licensed Know-How or are otherwise necessary or useful to the Exploitation of the Licensed Compounds or Licensed Products in the Field. All Licensed Patent Rights as of the Effective Date are set forth in **Schedule 1.92** (Licensed Patent Rights as of the Effective Date); *provided* that, any Patent Right existing as of the Effective Date that otherwise would be included in the definition of Licensed Patent Rights but is not included on **Schedule 1.92** (Licensed Patent Rights as of the Effective Date) will still be considered a Licensed Patent Right.

**1.93.** "**Licensed Product**" means any product containing a Licensed Compound as an Active Ingredient, in all forms, formulations, and presentation, whether alone or in combination with one or more other Active Ingredients.

**1.94.** "**Licensed Technology**" means, collectively, the Licensed Patent Rights and the Licensed Know-How. For clarity, the Licensed Technology includes all Mabridge Technology.

**1.95.** "**Losses**" has the meaning set forth in Section 12.1 (Indemnification by Climb).

**1.96.** "**Mabridge Technology**" means any Patent Rights or Know-How that are owned or otherwise Controlled by Beijing Mabridge Biopharmaceutical Co., Ltd as of the Effective Date and during the Term that are necessary or useful for the Exploitation of the Licensed Compounds or Licensed Products in the Field, including any rights of Beijing Mabridge Biopharmaceutical Co., Ltd in, or related to, the [**] production cell line, or any other cell lines used in connection with the Licensed Compound or Licensed Products.

**1.97.** "**Mabworks**" has the meaning set forth in the preamble.

**1.98.** **"Mabworks Buy-In Election"** has the meaning set forth in Section 4.4.1 (Mabworks Buy-In Rights).

**1.99.** "**Mabworks Indemnitee(s)**" has the meaning set forth in Section 12.1 (Indemnification by Climb).

**1.100.** "**Major European Country**" means [**]

**1.101.** "**Manufacture**," "**Manufactured**" or "**Manufacturing**" mean activities directed to manufacturing, processing, filling, finishing, packaging, labeling, quality control, quality assurance testing and release, post-marketing validation testing, stability testing, inventory control and management, and storing of compounds or products, but excluding activities directed to Development or Commercialization.

**1.102.** "**MHRA**" means the Medicines and Healthcare products Regulatory Agency in the United Kingdom or any successor entity.

**1.103.** "**MIL116"** means the compound described in **Schedule 1.103** (MIL116).

**1.104.** "**MTT Plan**" has the meaning set forth in Section 6.4.1 (Initial Transfer; MTT Plan).

**1.105.** "**Net Sales**" means, with respect to any of the Licensed Products in the ROW Territory, the [**] [**]

Notwithstanding any provision to the contrary set forth in this Agreement, in the case of any transfer of any Licensed Product between or among Climb and its Affiliates or Sublicensees for resale, Net Sales will be determined based on the resale made by Climb or such Affiliate or Sublicensee to a Third Party (and not the sale among Climb and its Affiliates and Sublicensees).

In the event that the Licensed Product is sold as part of a Combination Product (where "**Combination Product**" means any product which comprises the Licensed Product and other active compound(s), ingredient(s) or device(s), where such product is sold for a single price), the Net Sales of the Licensed Product, for the purposes of determining royalty and Sales Milestone Payments, shall be determined by [**]

In the event that the weighted average sale price in the prior Calendar Quarter of the Licensed Product can be determined but the weighted average sale price in the prior Calendar Quarter of the other active compound(s), ingredient(s) or device(s) cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by [**]

[**]

In the event that the weighted average sale price in the prior Calendar Quarter of the other active compound(s), ingredient(s) or device(s) can be determined but the weighted average sale price in the prior Calendar Quarter of the Licensed Product cannot be determined, Net Sales for purposes of determining royalty payments shall be calculated by [**]

In the event that the weighted average sale price of both the Licensed Product and the other active compound(s), ingredient(s) or device(s) in the Combination Product cannot be determined, the Net Sales of the Licensed Product shall be deemed to be equal to the mutually agreed (by the Parties) percentage of the Net Sales of the Combination Product, based on the relative value or cost of the Licensed Product and other active compound(s), ingredient(s) or device(s) in such Combination Product.

**1.106.** "**New License Agreement**" has the meaning set forth in Section 13.3.5 (Sublicense Survival).

**1.107.** " **NMPA**" means National Medicine Products Administration of China (formerly known as the China Food and Drug Administration), or any successor agency(ies) or authority having substantially the same function.

**1.108.** "**Non-Breaching Party**" has the meaning set forth in Section 13.2.2 (Termination for Material Breach).

**1.109.** "**Non-Licensed IP**" has the meaning set forth in Section 1.151 ("Sublicense Income").

**1.110.** "**Other Covered Party**" means any political party or political party official, or any candidate for political office.

**1.111.** "**Party**" or "**Parties**" has the meaning set forth in the preamble.

**1.112.** " **Patent Prosecution**" means, with respect to a Patent Right, all activities directed to (a) preparing, filing, and prosecuting applications (of all types) for such Patent Right through issuance, as well as all post-issuance activities not involving a Third Party challenger, including for example *ex parte* re-examinations, reissues and appeals and other similar proceedings with respect to such Patent Right (but excluding the defense of challenges to such Patent Right as a counterclaim in an

infringement proceeding) with respect to the particular Patent Right, and any appeals therefrom, and actions to obtain Patent Term Extensions and supplementary protection certificates with respect to such Patent Right and the like, (b) maintaining any Patent Right, and (c) deciding whether to abandon or maintain any Patent Right. For clarification, "Patent Prosecution" will not include any other enforcement actions taken with respect to a Patent Right.

**1.113.** "**Patent Rights**" means all national, regional and international patents and patent applications, including provisional and non-provisional applications, priority applications, patent cooperation treaty (PCT) applications, divisions, continuations, continuations-in-part, additions, re-issues, renewals, extensions, substitutions, re-examinations or restorations, registrations and revalidations, any confirmation patent or registration patent or patent of addition based on any such patent, any inventor's certificates, and supplementary protection certificates and equivalents to any of the foregoing.

**1.114.** "**Patent Term Extension**" means any patent term extension under 35 U.S.C. § 156 or any non-U.S. counterpart or equivalent of the foregoing, including supplementary protection certificates and any other extensions that are available as of the Effective Date or become available during the Term.

**1.115.** "**Person**" means any person, corporation, general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization, or entity not specifically listed herein.

**1.116.** "**Pharmacovigilance Agreement**" has the meaning set forth in Section 5.7 (Adverse Events Reporting).

**1.117.** "**Phase 1 Clinical Trial**" means any human clinical trial of a Licensed Product that generally provides for the first introduction into humans of such Licensed Product with the primary purpose of determining safety, metabolism, and pharmacokinetic properties and clinical pharmacology of such product, that would satisfy the requirements of a country's or region's equivalent of 21 C.F.R. § 312.21(a), as amended (or its successor regulation).

**1.118.** "**Phase 2 Clinical Trial**" means any human clinical trial of a Licensed Product conducted to test the effectiveness of chemical or biologic agents or other types of interventions for purposes of determining the safety and efficacy of such Licensed Product for a particular indication or indications, and that would satisfy the requirements of a country's or region's equivalent of 21 CFR § 312.21(b), as amended (or its successor regulation).

**1.119.** "**Phase 3 Clinical Trial**" means any human clinical trial of a Licensed Product designed to support filing for Regulatory Approval of such Licensed Product and that would satisfy the requirements of a country's or region's equivalent of 21 CFR § 312.21(c), as amended (or its successor regulation).

**1.120.** "**PMDA**" means the Pharmaceuticals and Medical Devices Agency of Japan or any successor entity.

**1.121.** "**Prior CDA**" has the meaning set forth in Section 10.7 (Prior CDA).

**1.122.** "**Product Infringement**" has the meaning set forth in Section 9.3.2 (Product Infringement).

**1.123.** "**Product Marks**" means any Trademark (whether registered or unregistered) for use on, with or to refer to a Licensed Product (including on packaging and labeling) or used with patient support or other information or services or product materials, including promotional, training, and medical education materials, associated with a Licensed Product during the Term, including related internet domain names. Notwithstanding the foregoing, Product Mark expressly excludes any Company Mark or any Global Trademark.

**1.124.** "**Proposed Terms**" has the meaning set forth in Section 14.4.2 (Proposal of Terms).

**1.125.** "**Quality Agreement**" means the agreement between the Parties dated [**] that outlines the operational responsibilities of each Party with respect to quality assurance and quality control of the Licensed Compounds or Licensed Products supplied under this Agreement, as may be amended from time to time.

**1.126.** "**RA Capital**" has the meaning set forth in Section 1.3 ("Affiliate").

**1.127.** "**Receiving Party**" has the meaning set forth in Section 1.35("Confidential Information").

**1.128.** "**Registrational Trial**" means, with respect to a Licensed Product, any (a) Phase 3 Clinical Trial for such Licensed Product, (b) Clinical Trial that is agreed and designated by a Regulatory Authority to be a pivotal trial or registrational trial sufficient to form the basis for submitting an application for Regulatory Approval of such Licensed Product, based on guidance or discussions with such Regulatory Authority; or (c) Clinical Trial subsequently determined to be the basis for submitting an application for Regulatory Approval of such Licensed Product.

**1.129.** "**Regulatory Approval**" means any and all approvals, licenses, registrations, or authorizations of any Regulatory Authority for the Manufacture and Commercialization of the Licensed Product in a given jurisdiction, including Reimbursement Approval in any applicable jurisdiction.

**1.130.** " **Regulatory Authority**" means any applicable Governmental Authority responsible for granting Regulatory Approvals for Licensed Product, including the FDA, NMPA, MHRA, EMA, PMDA, and any corresponding national or regional regulatory authorities.

**1.131.** "**Regulatory Materials**" means any regulatory application, submission, notification, communication, correspondence, registration, approval and other filings made to, received from, or otherwise conducted with a Regulatory Authority regarding the Licensed Products, including any ethics committee approval, IND, BLA, or Regulatory Approval.

**1.132.** "**Reimbursement Approval**" means (a) the approval, agreement, determination, or governmental decision establishing a price for the applicable Licensed Product that can be legally charged to consumers, if required or desirable in a given jurisdiction or country in connection with Commercialization of such Licensed Product in such jurisdiction or country; and (b) the approval, agreement, determination, or governmental decision establishing the level of reimbursement for such Licensed Product that will be reimbursed by Governmental Authorities, if required or desirable in a given jurisdiction or country in connection with the Commercialization of such Licensed Product in such jurisdiction or country.

**1.133.** "**Remedial Action**" has the meaning set forth in Section 5.11 (Remedial Actions).

**1.134.** "**Residual Knowledge**" has the meaning set forth in Section 10.10 (Residual Knowledge).

**1.135.** "**ROFR**" has the meaning set forth in Section 2.5 (Right of First Refusal).

**1.136.** "**ROFR Exercise Notice**" has the meaning set forth in Section 2.5.1 (ROFR Exercise).

**1.137.** "**ROFR Exercise Notice Period**" has the meaning set forth in Section 2.5.1 (ROFR Exercise).

**1.138.** "**ROFR Notice**" has the meaning set forth in Section 2.5.1 (ROFR Exercise).

**1.139.** "**ROFR Negotiation Period**" has the meaning set forth in Section 2.5.2 (Negotiation).

**1.140.** "**ROW Development Plan**" has the meaning set forth in Section 1.44 ("Development Plan").

**1.141.** "**ROW Territory**" means the entire world, excluding the China Territory.

**1.142.** "**Royalty Term**" has the meaning set forth in Section 8.4.2 (Royalty Term).

**1.143.** "**Sales Milestone Event**" has the meaning set forth in Section 8.3.1 (Sales Milestones).

**1.144.** "**Sales Milestone Payment**" has the meaning set forth in Section 8.3.1(Sales Milestones).

**1.145.** "**SEC**" has the meaning set forth in Section 10.6 (Certain Disclosures).

**1.146.** "**Selling Party**" has the meaning set forth in Section 1.105 ("Net Sales").

**1.147.** "**Settlement Sublicensee**" means a Third Party to which Climb, its Affiliates, or its Sublicensees grants a sublicense to settle or avoid litigation on any Patent Right claim or dispute related to (a) the alleged infringement by a Licensed Product or the Exploitation thereof of any Patent Rights or other intellectual property of such Third Party or (b) the alleged non-infringement, invalidity or unenforceability of or challenge against any Patent Rights Covering a Licensed Product or the Exploitation thereof.

**1.148.** "**Sharing Party**" has the meaning set forth in Section 5.5.1 (Regulatory Materials).

**1.149.** "**Subcommittee**" has the meaning set forth in Section 3.3 (Other Committees).

**1.150.** "**Subcontractor**" means a Third Party engaged by Climb or its Affiliates or Sublicensees to conduct any activities under this Agreement on a fee-for-service basis, including (a) contract research organizations, (b) contract manufacturers, and (c) Third Party Distributors (whether exclusive or non-exclusive), distribution service providers and wholesalers, in each case ((a)-(c)), whether or not granted a sublicense under the Licensed Technology to perform such activities (including in the case of (c), Commercialization activities).

**1.151.** "**Sublicense Income**" means any payments received by Climb or its Affiliates from a Sublicensee under a Sublicense Transaction as consideration for, and that are reasonable allocable to, the sublicense of Climb's or its Affiliates' rights to Develop, Manufacture, Commercialize, or otherwise Exploit the Licensed Compounds or Licensed Products under Section 2.1 (License Grants), including upfront payments, milestone payments (*provided* that if a milestone event under such Sublicense Transaction is substantially similar to, or is otherwise achieved based on, the milestone event set forth in Sections 8.2 (Development Milestone Payments) or 8.3 (Sales Milestone Payments), then only the portion of the milestone payment under such Sublicense Transaction greater than the corresponding milestone payment set forth in Sections 8.2 (Development Milestone Payments) or 8.3 (Sales Milestone Payments) will be considered

Sublicense Income), success fees, bonus fees, maintenance fees, any shares or other securities obtained from the Sublicensee or its Affiliate, or other payments of a similar nature, *minus* Climb's reasonable business development and transaction costs related to negotiating and executing such Sublicense Transaction (including all reasonable legal fees incurred in negotiating such Sublicense Transaction). Notwithstanding the foregoing, Sublicense Income expressly excludes:

[**]

[**]

Without limiting the foregoing exclusions, in the event that Climb or its Affiliates grants rights to Develop, Manufacture, Commercialize or otherwise Exploit a Combination Product under a Sublicense Transaction, the consideration received by Climb or its Affiliates under such Sublicense Transaction for the grant of Climb's rights related to the other Active Ingredient that is not a Licensed Compound ("**Non-Licensed IP**") shall not be considered Sublicense Income, the Parties shall reasonably determine in good faith the relative value that will be assigned to (a) Climb's sublicense of its rights under Section 2.1 (License Grants) and (b) and the license or sublicense of rights related to the Non-Licensed IP. Such relative valuation will then be used to determine the portion of consideration received pursuant to the applicable Sublicense Transaction that will be considered to be Sublicense Income for purposes of calculating the Sublicense Payments under Section 8.6 (Sublicense Payments).

**1.152.** "**Sublicense Payments**" has the meaning set forth in Section 8.6.3 (Sublicense Payments).

**1.153.** "**Sublicense Transaction**" has the meaning set forth in Section 8.6.1 (Sublicense Payments).

**1.154.** "**Sublicensee**" means any Person, excluding any Subcontractor or Settlement Sublicensee, to whom Climb grants a sublicense of, or other authorization or permission granted under, the rights granted to Climb in Section 2.1 (License Grants).

**1.155.** "**Support Memorandum**" has the meaning set forth in Section 14.4.2 (Proposal of Terms).

**1.156.** "**Tax**" means any form of tax or taxation, levy, duty, charge, contribution, or withholding in the nature of a tax (including any related fine, penalty, surcharge or interest) imposed by, or payable to, a Tax Authority.

**1.157.** "**Tax Authority**" means any government, state or municipality, or any local, state, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world, authorized to levy Tax.

**1.158.** "**Term**" has the meaning set forth in Section 13.1 (Term).

**1.159.** "**Terminated Compound**" means (a) any Licensed Compound with respect to which this Agreement is terminated pursuant to Article 13 (Term and Termination), and (b) in the event of termination of this Agreement in its entirety, all Licensed Compounds.

**1.160.** "**Terminated Country**" means (a) any country previously in the ROW Territory with respect to which this Agreement is terminated pursuant to Article 13 (Term and Termination), and (b) in the event of termination of this Agreement in its entirety, all countries in the ROW Territory.

**1.161.** "**Terminated Product**" means (a) any Licensed Product with respect to which this Agreement is terminated pursuant to Article 13 (Term and Termination), and (b) in the event of termination of this Agreement in its entirety, all Licensed Products.

**1.162.** "**Territory**" means (a) with respect to Climb, the ROW Territory and (b) with respect to Mabworks, the China Territory.

**1.163.** "**Third Party**" means a Person other than Mabworks, Climb, and their respective Affiliates.

**1.164.** "**Third Party Distributor**" means any Third Party that purchases Licensed Product from Climb or its Affiliates, or Sublicensees, takes title to such Licensed Product, and distributes such Licensed Product directly to customers.

**1.165.** "**Third Party Expert**" has the meaning set forth in Section 14.4.1 (Baseball Arbitration Procedure).

**1.166.** "**Third Party Infringement Claim**" means any claim or assertion by a Third Party that any aspect of the Exploitation of any Licensed Compound or Licensed Product by a Party or its Affiliates or Sublicensees or licensees infringes upon any Patent Right(s) or other rights that are owned or otherwise controlled by such Third Party, including any demand that a Party enter into a license, covenant not to sue or similar agreement, including any demand that a Party cease and desist any aspect of the Exploitation of any Licensed Compound or Licensed Product and including any and all adverse actions, claims, suits, allegations or proceedings with respect to the foregoing.

**1.167.** "**Third Party Payments**" means the *pro rata* portion of all payments (including for royalties, lump sum payments, upfront payments, costs, damages, judgements and awards) reasonably attributable to the Exploitation of the Licensed Compounds or Licensed Products that Climb or its Affiliates or Sublicensees pay to a Third Party for a license under any Patent Rights or Know-How owned or otherwise controlled by such Third Party that are necessary or reasonably useful for the Exploitation of the Licensed Compounds or Licensed Products in the Field.

**1.168.** "**Trademark**" means any mark that is used or intended to be used to identify goods or services; distinguish goods or services; indicate the source of goods or services, even if that source is unknown; or certify the origin, material, mode of manufacture, quality, accuracy, or other characteristic of goods or services; regardless of whether such mark is registered with the United States Patent and Trademark Office or other analogous entity.

**1.169.** "**Upfront Payment**" has the meaning set forth in Section 8.1 (Upfront Payment).

**1.170.** "**U.S.**" or "**United States**" means United States of America, including all possession and territories thereof.

**1.171.** "**U.S. cGMP**" has the meaning set forth in Section 1.16 ("cGMP").

**1.172.** "**U.S. GAAP**" has the meaning set forth in Section 1.1 ("Accounting Standards").

**1.173.** "**Upstream In-Licenses**" means the agreements set forth in **Schedule 1.173** (Upstream In-Licenses), under which Mabworks or its Affiliates in-licenses any of the Licensed Technology from a Third Party.

**1.174.** "**Valid Claim**" means, with respect to a particular country, (a) a claim of a granted and unexpired patent in such country that (i) has not been held permanently revoked, unenforceable, unpatentable, or invalid by a decision of a court or governmental body of competent jurisdiction, such decision being final and either unappealable or unappealed within the time allowed for appeal, (ii) has not been subject to irretrievable lapse, abandonment, revocation, disclaimer, or dedication to the public, and (iii) is not admitted to be unenforceable, unpatentable, or invalid through reissue; or (b) a pending claim of a pending patent application in such country that (i) was filed and is being prosecuted in good faith, and (ii) has not been finally cancelled, finally rejected, withdrawn, expired, or abandoned, without the opportunity for appeal; but excluding any such pending claim that has not granted within five years following the earliest date for which such pending patent application could claim priority.

**1.175.** "**VAT**" means value added tax or any similar Tax that is chargeable in a jurisdiction.

**1.176.** "**Withholding Tax Relief**" has the meaning set forth in Section 8.7.3 (Cooperation and Assistance).

## ARTICLE 2
## TECHNOLOGY TRANSFER AND LICENSES

**2.1. Technology Transfer And License Grants**.

2.1.1 **Technology Transfer.** Subject to the terms of this Agreement (including Section 4.9 (Development Technology Transfer and Assistance), Section6.4 (Manufacturing Know-How Transfer and Assistance) and Section 9.2.3 (Existing PCT Application) and other relevant provisions of this Agreement), and without limiting the terms of this Agreement, Mabworks will transfer to Climb the Licensed Know-How and the prosecution rights for the Existing PCT Application, with the transfer dates being those respectively stipulated herein. The specific arrangements for such transfers shall be governed by Section 4.9 (Development Technology Transfer and Assistance), Section 6.4 (Manufacturing Know-How Transfer and Assistance) and Section 9.2.3 (Existing PCT Application), as applicable. In respect of such transfer, the license grants set forth in Section 2.1.2 (Exclusive Grant in the ROW Territory), Section 2.1.3 (Non-Exclusive Manufacturing License in the China Territory) and Section 2.1.4 (Non-Exclusive Development License for Global Study and other Joint Development Activities in the China Territory), as well as other rights and obligations of both Parties, Climb is required to make payments to Mabworks in accordance with Article 8 (Financial Provisions) of this Agreement.

2.1.2 **Exclusive Grant in the ROW Territory**. Mabworks hereby grants and agrees to grant to Climb an exclusive (even as to Mabworks and its Affiliates), royalty-bearing license, with the right to grant sublicenses through multiple tiers in accordance with Section 2.2.1 (Sublicenses), under the Licensed Technology to Develop, Manufacture, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field in the ROW Territory. Notwithstanding the foregoing, the exclusivity granted to Climb under this Section 2.1.2 shall not restrict Mabworks from performing, or permitting its Affiliates and Third Party subcontractors to perform, Joint Development Activities (as expressly provided in this Agreement below), including as set forth in the Collaboration Development Plan or as otherwise agreed by the Parties, and to the extent such Joint Development Activities take place in the ROW Territory.

2.1.3 **Non-Exclusive Manufacturing License in the China Territory**. Mabworks hereby grants and agrees to grant to Climb a non-exclusive license, with the right to grant sublicenses through multiple tiers in accordance with Section 2.2.1 (Sublicenses), under the Licensed Technology to Manufacture or have Manufactured the Licensed Compounds and the Licensed Products in the China Territory solely to Develop, Commercialize, and otherwise Exploit such Licensed Compounds or Licensed Products by or on behalf of Climb and its Affiliates and Sublicensees in the ROW Territory, *provided* that such grant of rights to Manufacture shall not affect Mabworks' retained rights with respect to the China Territory, and if Mabworks believes that Climb's Manufacturing activities in the China Territory are materially adversely affecting Mabworks' activities in the China Territory under this Agreement, the Parties will discuss in good faith potential resolutions upon a request by Mabworks.

2.1.4 **Non-Exclusive Development License for Global Study and Joint Development Activities in the China Territory**. Mabworks hereby grants and agrees to grant to Climb a non-exclusive license, with the right to grant sublicenses through multiple tiers in accordance with Section 2.2.1 (Sublicenses), under the Licensed Technology to Develop the Licensed Compounds and the Licensed Products in the China Territory in accordance with a Global Study pursuant to Section 4.3 (Global Study) or Joint Development Activities as set forth in the Collaboration Development Plan or as otherwise agreed by the Parties, *provided* that (a) such Global Study or Joint Development Activities in the China Territory may only be conducted in collaboration with Mabworks or, if Mabworks notifies Climb that it does not wish to participate in the Global Study, then with Mabworks' prior written consent (not to be unreasonably withheld, conditioned or delayed) and (b) other than as set forth in Section 4.3 (Global Study), such grant of rights to Climb to Develop in the China Territory shall not affect Mabworks' retained rights with respect to the China Territory. For the avoidance of doubt, any Global Study conducted in the China Territory shall be used by Climb or its Affiliates or Sublicensees solely to Develop, Commercialize, and otherwise Exploit the Licensed Compounds or Licensed Products by or on behalf of Climb and its Affiliates and Sublicensees in the ROW Territory and shall not be used by Climb or its Affiliates or Sublicensees for applying for Regulatory Approval for such Licensed Compound or Licensed Products with the NMPA in China.

**2.2. Right to Sublicense and Subcontract**.

2.2.1 **Sublicenses**. Subject to this Section 2.2.1 (Sublicenses), Climb may grant sublicenses of the rights granted to it under Section 2.1 (License Grants) to any of its Affiliates or to any Third Party, including to any Subcontractor to the extent a sublicense of the rights granted to Climb hereunder is necessary for such Subcontractor to satisfy its obligations. Any such sublicense will be consistent with the terms of this Agreement (including, for clarity, requiring any Sublicensees that sell Licensed Products to report to Climb relevant details concerning Net Sales made by such Sublicensee so that Climb can comply with its obligations under Section 8.4.6 (Royalty Reports; Payments)) and obligate the Sublicensee or Subcontractor, as applicable, to comply with the applicable terms of this Agreement. Notwithstanding any sublicense, Climb will remain liable to Mabworks for the performance of all of its obligations under, and Climb's compliance with all provisions of, this Agreement, and for the performance of all obligations of its Affiliates and Sublicensees as required under this Agreement.

2.2.2 **Subcontracting**. Climb will have the right to engage Subcontractors to conduct activities for any Development, Manufacturing, Commercialization, or other Exploitation of the Licensed Compounds and the Licensed Products in the ROW Territory (or in the China Territory solely to Manufacture or have Manufactured the Licensed Compounds and the Licensed Products in accordance with Climb's rights under Section 2.1.3 (Non-Exclusive Manufacturing Licensed in the China Territory)) under this Agreement. Climb will remain responsible for any obligations that have been delegated or subcontracted to any Subcontractor, and will be responsible for the performance of its Subcontractors.

**2.3. No Other Rights and Retained Rights**. Except as otherwise expressly provided in this Agreement, under no circumstances will a Party or any of its Affiliates, as a result of this Agreement, obtain any ownership interest, license, or other right in or to any Know-How, Patent Rights, or other intellectual property of the other Party, including tangible or intangible items owned, Controlled, or developed by the other Party, or provided by the other Party to the receiving Party at any time, pursuant to this Agreement. Any rights not expressly granted by a Party under this Agreement are hereby retained by such Party. In addition, except as expressly set forth in this Agreement (including under Article 8 (Financial Provisions) ), Mabworks acknowledges and agrees that the exercise of the rights granted to Climb under this Agreement (including pursuant to Section 2.1 (License Grants) and Section 2.2 (Rights to Sublicense and Subcontract)) shall not require any additional payments to be made by Climb (or its Affiliates, Sublicensees or Subcontractors) to Mabworks or its Affiliates or any Third Party.

**2.4. Exclusivity**.

2.4.1 **Exclusivity Obligations**. During the Term, Mabworks will not, itself or through its Affiliates (a) Develop, Manufacture, Commercialize, or otherwise Exploit any Competitive Product, or (b) collaborate or partner with, or otherwise enable, any Third Parties to Develop, Manufacture, Commercialize, or otherwise Exploit any Competitive Product; in each case ((a) and (b)) in the Field in the ROW Territory. For the purpose of clarity, the obligation provided in this Section 2.4.1 does not apply to Mabworks' activities with respect to the China Territory.

2.4.2 **Change of Control**. Notwithstanding the provisions of Section 2.4.1 (Exclusivity Obligations), if there is a Change of Control involving Mabworks (where Mabworks is the acquired entity), then the obligations of Section 2.4.1 (Exclusivity Obligation*s*) will not apply to any Competitive Product that is controlled, as of or prior to such Change of Control, by the relevant acquirer or any of its Affiliates that were not Affiliates of Mabworks prior to the relevant Change of Control; *provided* that (a) Mabworks, the acquirer, and such Affiliates establish and enforce internal processes, policies, procedures, and systems to segregate information relating to any such Competitive Product from any Confidential Information related to the Licensed Compounds and Licensed Products, (b) the acquirer and such Affiliates do not use, directly or indirectly, any Patent Rights, Know-How, or Confidential Information of Mabworks (including any Patent Rights, Know-How, or Confidential Information licensed to or acquired by Mabworks from Climb under this Agreement) to Exploit any such Competitive Product, and (c) Mabworks and the acquirer will segregate all activities relating to any such Competitive Product from the Development, Manufacture, Commercialization and other Exploitation of the Licensed Compounds and Licensed Products, including ensuring that no personnel who were employees or consultants of Mabworks or its Affiliates at any time prior to or after the Change of Control conducts any activities to Develop,

Manufacture, Commercialize, or otherwise Exploit any such Competitive Product. Mabworks will document the establishment of the safeguards set forth in clauses (a) through (c) above by reasonable written records and provide such written records to Climb upon reasonable written request.

**2.5. Right of First Refusal**. During the Term and on the terms set forth herein, on a Climb APRIL Product-by-Climb APRIL Product basis, Climb hereby grants to Mabworks a right of first refusal to Develop and Commercialize such Climb APRIL Product in the China Territory ("**ROFR**").

2.5.1 **ROFR Exercise.** Climb will notify Mabworks in writing if, at any time during the Term, Climb has decided to enter into good faith negotiations with a Third Party, or has received a proposal from a Third Party to which Climb or its Affiliates intend to respond by entering into good faith negotiations with such Third Party, regarding an agreement under which Climb or its Affiliates would grant rights (whether by license, sublicense, partnership, collaboration, or otherwise, but excluding a Change of Control of Climb) to Develop and Commercialize a Climb APRIL Product in the China Territory (such notice, a "**ROFR Notice**"). Together with such notice, Climb will provide to Mabworks a high-level summary of (a) the Climb APRIL Product and (b) the results of activities performed by Climb with respect to such Climb APRIL Product to date. Mabworks will have [**] from receipt of the ROFR Notice (the "**ROFR Exercise Notice Period**") to deliver a written notice to Climb of Mabworks' desire to exercise the ROFR for such Climb APRIL Product (any such notice, a "**ROFR Exercise Notice**").

2.5.2 **Negotiation.** If Mabworks delivers a ROFR Exercise Notice to Climb within the applicable ROFR Exercise Notice Period, then the Parties will negotiate in good faith for at least [**] from the date of the ROFR Exercise Notice (the "**ROFR Negotiation Period**"), an agreement that would grant Mabworks or its Affiliates rights to Develop and Commercialize such Climb APRIL Product(s) in the China Territory. At any time during the ROFR Negotiation Period, Mabworks may indicate in writing to Climb that it no longer wishes to be granted rights with respect to such Climb APRIL Product(s) and the ROFR Negotiation Period shall thereby terminate.

2.5.3 **Failure to Agree; Failure to Respond; Termination of ROFR Negotiation Period.** If (a) the Parties have not agreed upon terms prior to the expiration of the ROFR Negotiation Period, (b) Mabworks terminates the ROFR Negotiation Period, or (c) Mabworks does not provide a ROFR Exercise Notice to Climb within the applicable ROFR Exercise Notice Period, then Climb or its Affiliate may (i) pursue negotiations regarding (and, if applicable, consummate) a transaction granting rights (including by license, transfer or assignment) to Develop and Commercialize the applicable Climb APRIL Product(s) with any Third Party in the China Territory or (ii) Develop and Commercialize such Climb APRIL Product(s) for its own purposes in the China Territory; *provided* that, solely with respect to clause (a), for a period of [**] following the expiration of the ROFR Negotiation Period, Climb or its Affiliates may not enter into any such agreement with such Third Party in clause (i) on terms, when viewed as a whole, that are less favorable to Climb as compared to the terms and conditions in the last proposal submitted to Climb by Mabworks with respect thereto. For clarity, in such case, such Climb APRIL Product will no longer be subject to the ROFR, and Climb will not be required to provide any further ROFR Notice with respect to such Climb APRIL Product.

**2.6. Gray Market Restrictions**.

2.6.1 **Of Climb**. Climb hereby covenants and agrees that it will not knowingly, and will use reasonable efforts to ensure that its Affiliates and Sublicensees will not knowingly, either directly or indirectly, promote, market any Licensed Product, including via the internet or mail order, to any Third Party (or address or Internet Protocol address or the like) in the China Territory. Climb will not engage, and will use reasonable efforts to ensure that its Affiliates and Sublicensees do not engage, in any advertising or promotional activities relating to any Licensed Product that are directed primarily to customers or other buyers or users located in the China Territory, or solicit orders from any prospective customer or other buyer or user located in the China Territory. If Climb or its Affiliates or Sublicensees receive any order for the Licensed Products from a prospective customer or other buyer or user located in the China Territory, then Climb will use reasonable efforts to refer that order to Mabworks, and Climb will use reasonable efforts to not accept any such orders. Climb will use reasonable efforts to not, and will use reasonable efforts to ensure that its Affiliates and Sublicensees do not, knowingly deliver or tender (or cause to be delivered or tendered) any Licensed Product in the China Territory.

2.6.2 **Of Mabworks**. Mabworks hereby covenants and agrees that it will not knowingly, and will use reasonable efforts to ensure that its Affiliates and licensees or sublicensees do not knowingly, either directly or indirectly, promote, market any Licensed Product, including via the internet or mail order, to any Third Party (or address or Internet Protocol address or the like) in the ROW Territory. Mabworks will not engage, and will use reasonable efforts to ensure that its Affiliates and licensees or sublicensees do not engage, in any advertising or promotional activities relating to any Licensed Product that are directed primarily to customers or other buyers or users located in any country or jurisdiction in the ROW Territory, or solicit orders from any prospective customer or other buyer or user located in any country or jurisdiction in the ROW Territory. If Mabworks or its Affiliates or licensees or sublicensees receive any order for the Licensed Products from a prospective customer or other buyer or user located in a country or jurisdiction in the ROW Territory, then Mabworks will use reasonable efforts to refer that order to Climb, and Mabworks will use reasonable efforts to not accept any such orders. Mabworks will use reasonable efforts to not, and will use reasonable efforts to ensure that its Affiliates, licensees, and sublicensees will not, knowingly deliver or tender (or cause to be delivered or tendered) any Licensed Product in the ROW Territory.

## ARTICLE 3
## GOVERNANCE

**3.1. Alliance Managers**. Within [**] after the Effective Date, each Party will appoint (and notify the other Party of the identity of) a representative having the appropriate qualifications (including a general understanding of pharmaceutical Development, Manufacture, and Commercialization issues as well as the terms of this Agreement) to act as its alliance manager under this Agreement (the "**Alliance Manager**"). The Alliance Managers will serve as the primary contact points between the Parties regarding the activities contemplated by this Agreement. The Alliance Managers will facilitate the flow of information and otherwise promote communication, coordination, and collaboration between the Parties, providing a single point communication for seeking consensus both internally within each Party's respective organization, including facilitating

review of external corporate communications, and raising cross-Party or cross functional issues in a timely manner. Each Party may replace its Alliance Manager by written notice to the other Party.

**3.2. Joint Steering Committee**.

3.2.1 **Purpose; Formation**. Within [**] after the Effective Date, the Parties will establish a joint steering committee (the "**Joint Steering Committee**" or the "**JSC**") to oversee, coordinate, and provide strategic direction with respect to the worldwide Development, Manufacture, Commercialization, regulatory, and related activities for the Licensed Compounds and Licensed Products, and to ensure the timely exchange of data, results, and information between the Parties in connection with all activities contemplated under this Agreement.

3.2.2 **Membership**. The JSC will be composed of an equal number of representatives from each Party, with each Party appointing no fewer than [**] representatives. Each representative shall be an officer or employee of the Applicable Party with sufficient seniority, expertise, and authority to make decisions within the JSC's responsibilities. The Parties may, by mutual written consent, change the number of representatives serving on the JSC, so long there are an equal number of representatives of each Party. The Alliance Manager for a Party may also serve as a representative for such Party on the JSC. Each Party may replace any of its representatives on the JSC upon written notice to the other Party. Each Party will appoint one (1) of its JSC representatives to act as a co-chairperson of the JSC. The co-chairpersons or their designees, in collaboration with the Alliance Managers, will be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and preparing and issuing draft minutes of each meeting within [**] thereafter. Such minutes will not be finalized until all JSC members have had [**] to review and confirm the accuracy of such minutes.

3.2.3 **Meetings**. The JSC will hold meetings at such times as it elects to do so but no less frequently than [**] until the First Commercial Sale of the Licensed Product in the ROW Territory, unless otherwise agreed by the Parties. Thereafter, the JSC will hold meetings at such frequencies as determined by the JSC, and, in any event, no less frequently than [**] Each Party may call additional *ad hoc* JSC meetings as the needs arise with reasonable advance notice to the other Party. The JSC may meet in-person, by videoconference or by teleconference, as mutually agreed by the Parties. Each Party will be responsible for all of its own expenses of participating in the JSC meetings.

3.2.4 **Non-Member Attendance**. Each Party may from time to time invite a reasonable number of participants, in addition to its representatives, to attend the JSC meetings in a non-voting capacity; *provided* that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party will (a) provide prior written notice to the other Party and (b) ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

3.2.5 **Specific Responsibilities of the JSC**. The responsibilities of the JSC will be to:

(a) provide a forum to oversee and endorse the Parties' collaboration activities under this Agreement, including coordination across Development, Manufacturing, regulatory, and Commercialization activities;

(b) review, with input from the JDC and JMC as appropriate, and determine whether to approve the overall strategy for the Development and Manufacture of the Licensed Products in the Field, including the content of the core global label for such Licensed Products;

(c) review, discuss, with input from the JDC, and determine whether to approve the Development Plan (and any updates or amendments thereto) and Joint Development Activities, provided that the China Development Plan shall remain subject to Mabworks' final decision-making authority and the ROW Development Plan shall remain subject to Climb's final decision-making authority;

(d) review, discuss, with input from the JMC, and determine whether to approve the global manufacturing plan for Development purposes and any updates or amendments thereto;

(e) review, discuss and determine whether to approve the global regulatory plan and any subsequent versions or amendments thereto;

(f) review and coordinate the Parties' respective activities relating to the Development, Manufacture, and Commercialization of the Licensed Products, including activities conducted independently by each Party in its respective territory;

(g) review, discuss, and determine whether to approve Publication Plan and related activities as further described in Section 10.5.1 (Publications);

(h) oversee and attempt to resolve disputes arising from the JDC, the JMC, the JLIPC, or any other subcommittee established under this Agreement;

(i) and

(j) establish and appoint such additional subcommittees as the JSC deems appropriate, each of which shall consist of an equal number of representatives of each Party; and

(k) perform such other functions as expressly set forth in this Agreement or allocated to the JSC by the written agreement of the Parties.

**3.3. Joint Development Committee.**

3.3.1 **Purpose; Formation**. Within [**] after the Effective Date, the Parties will establish a joint development committee (the "**Joint Development Committee**" or the "**JDC**") as a subcommittee of the JSC to oversee the worldwide Development of the Licensed Compounds and Licensed Products and share data, results, and information between the Parties with respect to such Development.

3.3.2 **Membership**. The JDC will be composed of an equal number of representatives from each Party and a minimum of [**] representatives of each Party who have the appropriate and direct knowledge and expertise and requisite decision-making authority. The Alliance Manager for a Party may also serve as a representative for such Party on the JDC. Each Party may replace any of its representatives on the JDC upon written

notice to the other Party. Each Party will appoint one (1) of its JDC representatives to act as a co-chairperson of the JDC. The co-chairpersons or their designees will be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and preparing and issuing minutes of each meeting promptly thereafter. The JDC shall seek to make decisions by unanimous agreement, with each Party having one (1) vote. If the JDC is unable to reach agreement on any matter within its authority, such matter shall be escalated to the JSC for resolution in accordance with this Agreement.

3.3.3 **Meetings**. The JDC will hold meetings at such times as it elects to do so, with the intent of meeting [**] as schedules permit until the First Commercial Sale of the Licensed Product in the ROW Territory, unless otherwise agreed by the Parties. Thereafter, the JDC will hold meetings at such frequencies as determined by the JDC. Each Party may call additional *ad hoc* JDC meetings as the needs arise with reasonable advance notice to the other Party. The JDC may meet in-person, by videoconference or by teleconference, as mutually agreed by the Parties. Each Party will be responsible for all of its own expenses of participating in the JDC meetings.

3.3.4 **Non-Member Attendance**. Each Party may invite a reasonable number of participants, in addition to its representatives, to attend the JDC meetings in a non-voting capacity; *provided* that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party will ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

3.3.5 **Specific Responsibilities of the JDC**. The responsibilities of the JDC will be to:

(a) review, discuss, prepare and determine whether to approve for submission to the JSC any updates or amendments to the Collaboration Development Plan, ROW Development Plan, and China Development Plan, as applicable;

(b) review, discuss and coordinate the implementation of the overall Development strategy and the design of Clinical Trials under the Collaboration Development Plan, ROW Development Plan, and China Development Plan, as applicable;

(c) discuss the Parties' Development activities, including pre-clinical and clinical data, under this Agreement (and Manufacturing activities to support such Development activities) at an operational level, including any progress, major events, and milestones with respect thereto;

(d) oversee, and monitor the conduct and progress of Clinical Trials performed under the Collaboration Development Plan;

(e) review and discuss regulatory requirements and strategies relating to the Development and Regulatory Approval of Licensed Product;

(f) facilitate and coordinate the exchange of data, results, and information between the Parties with respect to Development activities and Regulatory Approval; and

(g) perform such other functions as expressly set forth in this Agreement or as may be allocated to the JDC by the JSC.

**3.4. Joint Manufacturing Committee.**

3.4.1 **Purpose; Formation**. Within [**] after the Effective Date, the Parties will establish a joint manufacturing committee (the "**Joint Manufacturing Committee**" or the "**JMC**") as a subcommittee of the JSC to oversee the worldwide Manufacturing of the Licensed Compounds and Licensed Products and other activities contemplated by the Clinical Supply Agreement and to share data and information between the Parties with respect to such Manufacturing and other activities contemplated by the Clinical Supply Agreement.

3.4.2 **Membership**. The JMC will be composed of an equal number of representatives from each Party and a minimum of [**] representatives of each Party who have the appropriate and direct knowledge and expertise and requisite decision-making authority. The Alliance Manager for a Party may also serve as a representative for such Party on the JMC. Each Party may replace any of its representatives on the JMC upon written notice to the other Party. Each Party will appoint one (1) of its JMC representatives to act as a co-chairperson of the JMC. The co-chairpersons or their designees will be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and preparing and issuing minutes of each meeting promptly thereafter. The JMC shall seek to make decisions by unanimous agreement, with each Party having one (1) vote. If the JMC is unable to reach agreement on any matter within its authority, such matter shall be escalated to the JSC for resolution in accordance with this Agreement.

3.4.3 **Meetings**. The JMC will hold meetings at such times as it elects to do so, with the intent of meeting [**] as schedules permit until the First Commercial Sale of the Licensed Product in the ROW Territory, unless otherwise agreed by the Parties. Thereafter, the JMC will hold meetings at such frequencies as determined by the JMC. Each Party may call additional *ad hoc* JMC meetings as the needs arise with reasonable advance notice to the other Party. The JMC may meet in-person, by videoconference or by teleconference, as mutually agreed by the Parties. Each Party will be responsible for all of its own expenses of participating in the JMC meetings.

3.4.4 **Non-Member Attendance**. Each Party may invite a reasonable number of participants, in addition to its representatives, to attend the JMC meetings in a non-voting capacity; *provided* that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party will ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

3.4.5 **Specific Responsibilities of the JMC**. The responsibilities of the JMC will be to:

(a) oversee the Manufacture of the Licensed Products by or on behalf of the Parties and the implementation and performance of the Clinical Supply Agreement;

(b) review, discuss, and coordinate the implementation of the MTT Plan and any amendments thereto, as further described in Section 6.4.1 (MTT Plan; Initial Transfer)

(c) review, discuss, develop and determine whether to approve the global manufacturing plan for Development purposes on a semi-annual basis or more frequently as agreed by the Parties, including updates and amendments thereto, which plan shall include the overall manufacturing strategy and may address shared global manufacturing activities, including process development, quality

control release testing, quality assurance disposition, inventory management, stability testing, and device strategy;

(d) facilitate and coordinate the exchange of data, information, and materials between the Parties to support the Manufacture of the Licensed Products

(e) review and discuss global manufacturing strategies and plans, and oversee technology transfer activities as necessary, including with respect to second sourcing, process improvements, and product enhancements; and

(f) perform such other functions as expressly set forth in this Agreement or as may be allocated to the JMC by the JSC.

**3.5. Joint Legal and Intellectual Property Committee.**

3.5.1 **Purpose; Formation**. Within [**] after the Effective Date, the Parties will establish a joint legal and intellectual property committee (the "**Joint Legal and Intellectual Property Committee**" or the "**JLIPC**") as a subcommittee of the JSC to oversee and coordinate matters relating to intellectual property, legal risk, and compliance arising under this Agreement, and shall support the implementation of the Parties' collaboration in a manner consistent with the terms of this Agreement.

3.5.2 **Membership**. The JLIPC will be composed of an equal number of representatives from each Party and a minimum of [**] representative of each Party who have the appropriate and direct knowledge and expertise and requisite decision-making authority. The Alliance Manager for a Party may also serve as a representative for such Party on the JLIPC. Each Party may replace any of its representatives on the JLIPC upon written notice to the other Party. Each Party will appoint one (1) of its JLIPC representatives to act as a co-chairperson of the JLIPC. The co-chairpersons or their designees will be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting, and preparing and issuing minutes of each meeting promptly thereafter. The JLIPC shall seek to make decisions by unanimous agreement, with each Party having one (1) vote. If the JLIPC is unable to reach agreement on any matter within its authority, such matter shall be escalated to the JSC for resolution in accordance with this Agreement.

3.5.3 **Meetings**. The JLIPC will hold meetings at such times as it elects to do so, with the intent of meeting [**] as schedules permit until the First Commercial Sale of the Licensed Product in the ROW Territory, unless otherwise agreed by the Parties. Thereafter, the JLIPC will hold meetings at such frequencies as determined by the JLIPC. Each Party may call additional *ad hoc* JLIPC meetings as the needs arise with reasonable advance notice to the other Party. The JLIPC may meet in-person, by videoconference or by teleconference, as mutually agreed by the Parties. Each Party will be responsible for all of its own expenses of participating in the JLIPC meetings.

3.5.4 **Non-Member Attendance**. Each Party may invite a reasonable number of participants, in addition to its representatives, to attend the JLIPC meetings in a non-voting capacity; *provided* that if either Party intends to have any Third Party (including any consultant) attend such a meeting, such Party will ensure that such Third Party is bound by confidentiality and non-use obligations consistent with the terms of this Agreement.

3.5.5 **Specific Responsibilities of the JLIPC**. The responsibilities of the JLIPC will be to:

(a) review and coordinate strategy with respect to the identification, protection, prosecution, maintenance, and defense of intellectual property arising from activities under this Agreement, including Inventions, Know-How, and related Patent Rights;

(b) review and provide recommendations regarding the determination of inventorship and ownership of intellectual property developed in the course of the collaboration in accordance with this Agreement;

(c) coordinate global patent prosecution, maintenance, and related decisions, including continuation, abandonment, and defense strategies, in accordance with the applicable provisions of this Agreement, including (i) any updates related to the prosecution of the Existing PCT Application, including with respect to nationalizing such application and the prosecution of patent applications before national (or regional) patent offices claiming priority from such Existing PCT Application as further described in Section 9.2.3 (Existing PCT Application), and (ii) Patent Right cooperation activities as further described in Section 9.2.2 (Cooperation);

(d) review and coordinate the Parties' approach to enforcement of intellectual property rights against Third Parties and defense against Third Party claims, and provide recommendations regarding litigation, opposition, or settlement strategies;

(e) review proposed publications and public disclosures to ensure protection of confidential information and preservation of intellectual property rights, including the timely filing of patent applications where appropriate;

(f) identify and monitor material legal and compliance risks relating to the activities under this Agreement, including those relating to data use, confidentiality, and applicable laws, and recommend appropriate mitigation strategies; and

(g) address such other legal or intellectual property matters as may be referred to the JLIPC by the JSC from time to time.

**3.6. Other Committees**. The JSC may, by mutual agreement, form such other committees or working groups as may be necessary or desirable to facilitate activities under this Agreement and delegate certain responsibilities of the JSC to such committees or working groups ("**Subcommittees**"). Any dispute arising from such committees or working groups will be escalated to the JSC for resolution as further described in Section 3.9 (Subcommittee Decision Making).

**3.7. Limitation of Authority**. The authority of each of the JSC and any Subcommittees, including the JDC, JMC and JLIPC, will be limited to those matters expressly delegated to the JSC in this Agreement. Each Party will retain the rights, powers, and discretion granted to it under this Agreement, and no such rights, powers, or discretion will be delegated to or vested in the JSC or any Subcommittee unless such delegation or vesting of rights is expressly provided for in this Agreement or the Parties expressly so agree in writing. In addition to any other exclusions from or limitations on its authority set forth in this Article 3 (Governance) or elsewhere in this Agreement, the JSC or any Subcommittee will have no right, power, or authority to: (a) modify or amend the terms and conditions of this Agreement; (b) waive either Party's compliance with the terms and

conditions of this Agreement; or (c) determine any such issue in a manner that would conflict with the express terms and conditions of this Agreement.

**3.8. JSC Decision-Making**.

3.8.1 **General Decision-Making Process**. The JSC will make decisions as to matters within its jurisdiction unanimously, which may be reflected in the minutes of the committee meeting or by an action by written consent signed by the co-chairperson appointed by each Party or his or her designee identified in writing (for the purpose of this Section 3.8.1 (General Decision-Making Process), consent via email will be allowed). Except as otherwise expressly set forth in this Agreement, the phrase "determine," "designate," "align," "approve," or "determine whether to approve" by the JSC and similar phrases used in this Agreement will mean approval in accordance with this Section 3.8 (Decision-Making), including the escalation and tie-breaking provisions herein. For the avoidance of doubt, matters that are specified in Section 3.2.5 (Specific Responsibilities of the JSC) to be reviewed and discussed (as opposed to reviewed, discussed, and approved) do not require any agreement or decision by either Party and are not subject to the voting and decision-making procedures set forth in this Section 3.8 (Decision-Making).

3.8.2 **Decisions of the JSC**. The JSC will use good faith efforts, in compliance with this Section 3.8.2 (Decisions of the JSC), to promptly resolve any such matter for which it has authority. If, after the use of good faith efforts, the JSC is unable to resolve any matter within the scope of the JSC's authority or any other disagreement between the Parties that may be referred to the JSC, in each case, within a period of [**] (or such shorter period of time to address a matter a Party reasonably believes is urgent), then:

(a) if such matter is (i) solely related to the China Territory or (ii) relates to a clinical trial contemplated in the Collaboration Development Plan that takes place solely in the China Territory, such matter shall be finally decided by Mabworks, *provided* that Mabworks may not make any decision (or take any action) that Climb believes in good faith would materially adversely affect the Development, Manufacture, Regulatory Approval or Commercialization of the Licensed Compounds and the Licensed Products in the ROW Territory (which reasonable belief is communicated by written notice by Climb to the JSC); and *provided further* that such decision or action is not otherwise in violation of Section 3.8.3 (Limitations to Final-Decision Making Authority);

(b) other than matters subject to Section 3.8.2(a) (Decisions of the JSC), such matter shall be finally decided by Climb; *provided* that if Mabworks notifies the JSC in writing within [**] of Climb's decision under this Section 3.8.2(b) (Decisions of the JSC) that it believes in good faith that a decision or action by Climb under this Section 3.8.2(b) (Decisions of the JSC) would materially adversely affect the Development, Manufacture, Regulatory Approval or Commercialization of the Licensed Compounds and Licensed Products in the China Territory, then Climb will offer to discuss in good faith with Mabworks, during a [**] period (as may be extended by mutual agreement of the Parties) following the receipt of such notice by the JSC from Mabworks, the basis of Mabworks' belief and any potential alternatives; *provided further* that if Mabworks provides such notice within such [**] period, then after such [**] period, and notwithstanding the foregoing, any such matter shall be finally decided by Climb at its sole discretion; and *provided*

*further still* that such decision or action is not otherwise in violation of Section 3.8.3 (Limitations to Final-Decision Making Authority). For clarity, any matter that expressly requires mutual agreement of the Parties under this Agreement shall not be subject to Climb's final decision-making authority under this Section 3.8.2(b).

3.8.3 **Limitations to Final Decision-Making Authority**. Notwithstanding any provisions to the contrary in this Section 3.8 (Decisions Making), a Party's exercise of its final decision-making authority under this Section 3.8 (Decisions-Making) must comply with the following:

(a) such Party's decision must be consistent in all material respects with the terms and conditions of this Agreement;

(b) such Party may not impose any obligation on the other Party or waive any right or remedy of the other Party under this Agreement; and

(c) such Party may not require the other Party to violate any Applicable Law or ethical requirement.

3.8.4 **JSC Disputes**. If a Party disagrees on whether any proposed decision by the other Party can reasonably be expected to materially adversely affect the Development, Manufacture, Regulatory Approval or Commercialization of the Licensed Compounds and the Licensed Products in the ROW Territory or the China Territory pursuant to Section 3.8.2 (Decisions of the JSC), such Party may submit such dispute to be resolved in accordance with this Section 3.8.4 (Disputes). The Parties shall first refer such dispute to the Executive Officers pursuant to Section 14.2 (Resolution by Executive Officers). If the Executive Officers fail to resolve such dispute within [**] (or such shorter period of time to address a matter a Party reasonably believes is urgent), then a Party may submit such dispute to be decided by a panel of three independent Third Party experts, with one expert selected by each Party, and the third expert selected jointly by the two experts selected by the Parties. All such experts shall be independent of both Parties and shall have at least [**] of experience in the worldwide Development, Manufacture and Commercialization of pharmaceutical products (or such other similar credentials as mutually agreed by the Parties). Such Third Party expert panel shall be instructed to render its decision within [**] of the date that such matter is referred to such Third Party expert panel. The administrative fees of the Third Party experts shall be borne by the Party that fails the dispute. Except in cases of fraud or manifest error on the part of such Third Party expert panel, the decision of such Third Party expert panel shall be final and binding on the Parties. The status quo of such matter shall persist until the matter is resolved by such Third Party expert panel. For clarity, any dispute subject to this Section 3.8.4 (Disputes) shall not be eligible for resolution pursuant to Section 14.3 (Binding Arbitration).

**3.9. Subcommittee Decision Making.**

3.9.1 **General Subcommittee Decision-Making Process.** Each Subcommittee shall operate under the authority delegated to it under this Agreement or by the JSC and shall make decisions with respect to matters within its designated scope unanimously, which may be reflected in the minutes of the applicable Subcommittee meeting or by an action by written consent signed by the co-chairperson appointed by each Party or his or her

designee identified in writing (for the purpose of this Section 3.9.1 (General Subcommittee Decision Making Process), consent via email will be allowed). Except as otherwise expressly set forth in this Agreement, the phrase "determine," "designate," "align," "approve," or "determine whether to approve" by a Subcommittee and similar phrases used in this Agreement shall mean approval in accordance with this Section 3.9 (Subcommittee Decision Making). For the avoidance of doubt, matters designated for review and discussion (as opposed to review, discussion, and approval) by a Subcommittee do not require any agreement or decision by either Party and are not subject to the voting and decision-making procedures set forth in this Section 3.9 (Subcommittee Decision Making).

3.9.2 **Escalation to the JSC.** Each Subcommittee shall use good faith efforts to promptly resolve any matter within its authority. If, after the use of good faith efforts, a Subcommittee is unable to reach unanimous agreement on any matter within a period of [**] (or such shorter period of time as required to address an urgent issue to avoid material harm), then either Party may refer such matter to the JSC for resolution in accordance with Section 3.8 (JSC Decision-Making). Upon such referral, the Subcommittee shall provide the JSC with a written summary of the matter, including the positions of each Party and any relevant supporting information, and the JSC shall consider such matter at its next scheduled meeting or at a special meeting convened for such purpose.

3.9.3 **Authority Pending Escalation.** Until a matter is resolved by the JSC pursuant to Section 3.8 (JSC Decision-Making), the Subcommittee shall not take any action inconsistent with the status quo with respect to such matter unless otherwise agreed in writing by both Parties or as required to address an urgent issue to avoid material harm, in which case the applicable Subcommittee co-chairpersons shall confer in good faith to implement an interim course of action.

3.9.4 **Limitations.** No Subcommittee shall have the authority to amend or waive any terms of this Agreement or to make any decision that exceeds the scope of authority expressly delegated to such Subcommittee by the JSC. All decisions of a Subcommittee shall be subject to oversight by the JSC and shall not conflict with any decision of the JSC.

## ARTICLE 4
## DEVELOPMENT

**4.1. General.** Subject to the terms of this Agreement, Climb will have sole control over, and decision-making authority with respect to, the Development of the Licensed Compounds and the Licensed Products in the Field for the ROW Territory, at its own cost and expense. Subject to the terms of this Agreement, Mabworks will have sole control over, and decision-making authority with respect to, the Development of the Licensed Compounds and the Licensed Products in the Field in the China Territory, at its own cost and expense. Subject to the terms of this Agreement, the Parties shall collaborate in good faith to execute the Joint Development Activities contemplated by the Collaboration Development Plan and shall share the associated costs and expenses as set forth therein. All decisions regarding the conduct, scope, and priorities of the Collaboration Development Plan and Joint Development Activities shall be made by the JDC in accordance with Section 3.9 (Subcommittee Decision Making), and neither Party shall have unilateral decision-making authority with respect thereto. For clarity, Mabworks shall have the right to use all data, results and Know-How arising from the Joint Development Activities to Develop, Manufacture, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field

in the China Territory and Climb shall have the right to use all data, results and Know-How arising from the Joint Development Activities to Develop, Manufacture, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field in the ROW Territory.

**4.2. Development Plans**. All Development Plans and updates thereto shall be provided in English, and the Party preparing such materials shall be responsible for any required translation into English at its own expense.

4.2.1 **ROW Development Plan.** The Parties acknowledge that, as of the Effective Date, the initial ROW Development Plan (attached hereto as Schedule 4.2.1) has been agreed to by the Parties. From time to time during the Term (but no less frequently than [**] Climb may propose amendments or updates to the ROW Development Plan. Any such proposed amendments or updates shall be submitted to the JDC for review and discussion and, in all cases, to the JSC for final review and approval. Climb shall consider in good faith any reasonable comments provided by Mabworks through the JDC or JSC, as applicable, provided that no such amendment or update shall impose any additional obligation on Climb or materially limit Climb's rights or activities in the ROW Territory without Climb's prior written consent.

4.2.2 **China Development Plan**. The Parties acknowledge that, as of the Effective Date, the initial China Development Plan (attached hereto as Schedule 4.2.2) has been agreed to by the Parties. From time to time during the Term (but no less frequently than [**] Mabworks may propose amendments or updates to the China Development Plan. Any such proposed amendments or updates shall be submitted to the JDC for review and discussion and, in all cases, to the JSC for final review and approval. Mabworks shall consider in good faith any reasonable comments provided by Climb through the JDC or JSC, as applicable, provided that no such amendment or update shall impose any additional obligation on Mabworks or materially limit Mabworks' rights or activities in the China Territory without Mabworks' prior written consent.

4.2.3 **Collaboration Development Plan**. The Parties acknowledge that, as of the Effective Date, the initial Collaboration Development Plan (attached hereto as Schedule 4.2.3) has been agreed to by the Parties. Subject to Section 3.3.5(a), at any time during the Term, a Party may propose to the JDC that the Parties collaborate on a Clinical Trial under the Collaboration Development Plan (each such Clinical Trial, a "**Collaboration Study**"). For each Collaboration Study mutually agreed by the Parties, the Parties shall update the Collaboration Development Plan to include the terms under which the Parties would collaborate on such Collaborations Study, which terms will include (a) a listing of the Indication(s) to be pursued under such study, a study schematic and the rationale for the study, (b) a description of the activities to be performed by each Party, (c) timelines for the completion of such activities, (d) a budget for the costs of performing such activities, (e) the mechanism whereby costs in connection with performing activities under such Collaboration Study will be allocated to, shared, or reimbursed by each Party, (f) how data and results arising from such Collaboration Study will be shared and used, (g) operational responsibility, and (h) decision making. For clarity, a Collaboration Study may be performed under the Development MSA (as defined in Section 4.11).

**4.3. Global Study**.

4.3.1 **Agreement on Global Study**. At anytime during the Term, if Climb determines it intends to conduct a Global Study [**] Climb shall notify Mabworks in writing and provide to Mabworks an opportunity to participate in such Global Study. If Mabworks provides written confirmation to Climb of Mabworks' interest to participate in such Global Study within [**] of Mabworks' initial receipt of such notification, the Parties will discuss in good faith, for a period of [**] from Mabworks' initial receipt of such notification (as may be extended by the mutual agreement of the Parties) ("**Global Study Negotiation Period**") the terms under which the Parties would collaborate on such Global Study, which terms will include (a) a listing of the Indication(s) to be pursued under such study, a study schematic and the rationale for the study, (b) a description of the activities to be performed by each Party (including the [**] (c) timelines for the completion of such activities, (d) a budget for the costs of performing such activities, (e) the mechanism whereby costs in connection with performing activities under such Global Study will be allocated to, shared, or reimbursed by each Party, (f) how data and results arising from such Global Study will be shared and used, and (g) identification and agreement on the selection of any vendors proposed for use in such Global Study. Upon the agreement on such Global Study terms, the Parties will amend the applicable portion of the Development Plan, to the extent necessary, to reflect such agreed terms relating to such Global Study.

4.3.2 **Failure to Agree on Terms of a Global Study**. In the event that (a) Mabworks fails to provide a written confirmation to Climb in accordance with Section 4.3.1 (Agreement on Global Study), (b) the Parties fail to agree to terms under which the Parties would jointly participate in a Global Study in accordance with Section 4.3.1 (Agreement on Global Study) within the Global Study Negotiation Period, or (c) Mabworks otherwise notifies Climb that it does not wish to participate in a Global Study, then with Mabworks' prior written consent (not to be unreasonably withheld, conditioned or delayed), (x) Climb will have the right, but not the obligation, to conduct the Global Study, including, for clarity, any Development activities for Licensed Compounds and Licensed Products to be performed in the China Territory, at Climb's sole costs, (y) Mabworks will cooperate and assist Climb to perform such other acts, as necessary or appropriate in order to permit Climb to perform Development activities in the China Territory, and (z) notwithstanding anything to the contrary set forth in this Agreement, including in Section 5.5 (Regulatory Materials), Climb will not be obligated to share, and Mabworks will not have any right to use, any data, results or Know-How arising from such Global Study unless Mabworks pays to Climb an amount equal to [**] the internal and out-of-pocket costs of Climb that were incurred to run the Global Study in the China Territory (but excluding, for clarity, any costs to run the Global Study in the ROW Territory), or unless otherwise agreed by the Parties in writing.

**4.4. Buy-In Rights**.

4.4.1 **Mabworks Buy-In Rights.** With respect to a Clinical Trial conducted by Climb in the ROW Territory that is initiated after the Effective Date, Mabworks shall have the right, but not the obligation, to acquire rights to such Clinical Trial data, results or Know-How by providing Climb written notice (a "**Mabworks Buy-In Election**") to Develop, Manufacture, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field in the China Territory, including the right to reference such data in Regulatory Materials. Following the receipt of a Mabworks Buy-In Election, the Parties will discuss in good faith, for a period of up to [**] from Climb's initial receipt of such Mabworks Buy-In Election (as may be extended by the mutual agreement of the

Parties) to negotiate and agree on a purchase price of such Clinical Trial data, results or Know-How payable within [**] following delivery of an invoice to Mabworks. Upon valid exercise of the Mabworks Buy-In Election and payment of the applicable purchase price, Climb shall provide such Clinical Trial data, results and Know-How to Mabworks in English and in a form agreed to by the Parties. Climb shall also execute such additional documents and take such further actions as may be reasonably necessary to effect Mabworks' rights to use such Clinical Trial data, results and Know-How. Except as expressly transferred to Mabworks under this Section 4.4.1, Climb retains its right, title and interest in and to such Clinical Trial data, results and Know-How to Develop, Manufacture, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field in the ROW Territory.

4.4.2 **Climb Buy-In Rights.** With respect to a Clinical Trial conducted by Mabworks in the China Territory that is initiated after the Effective Date, Climb shall have the right, but not the obligation, to acquire rights to such Clinical Trial data, results or Know-How by providing Mabworks written notice (a "**Climb Buy-In Election**") to Develop, Manufacture, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field in the ROW Territory, including the right to reference such data in Regulatory Materials. Following the receipt of a Climb Buy-In Election, the Parties will discuss in good faith, for a period of up to [**] from Mabworks' initial receipt of such Climb Buy-In Election (as may be extended by the mutual agreement of the Parties) to negotiate and agree on a purchase price of such Clinical Trial data, results or Know-How payable within [**] following delivery of an invoice to Climb. Upon valid exercise of the Climb Buy-In Election and payment of the applicable purchase price, Mabworks shall provide such Clinical Trial data, results and Know-How to Climb in a form agreed to by the Parties. Mabworks shall also execute such additional documents and take such further actions as may be reasonably necessary to effect Climb's rights to use such Clinical Trial data, results and Know-How. Except as expressly transferred to Climb under this Section 4.4.2, Mabworks retains its right, title and interest in and to such Clinical Trial data, results and Know-How to Develop, Manufacture, Commercialize, and otherwise Exploit the Licensed Compounds and Licensed Products in the Field in the China Territory.

4.4.3 For clarity, neither Party shall be obligated to provide any Clinical Trial data, results or Know-How pursuant to this Section 4.4 unless and until the Parties have agreed in writing on the applicable purchase price, scope of data, permitted use and applicable compliance requirements.

**4.5. Development Report**. At each JSC meeting, each Party will provide a high-level summary of the Development activities performed (a) in such Party's Territory, or (b) in relation to a Global Study or Collaboration Study, and any applicable results of any such activities, since the last JSC meeting. All summaries provided under this Section 4.3 (Development Reports) will be provided in English, and the providing Party will be responsible for all translations into English at its sole expense. For clarity, Climb will provide a high-level summary of its Development activities conducted in relation to any Global Study.

**4.6. Records**. Each Party shall maintain appropriate records in either tangible or electronic form of all significant Development activities, in each case in accordance with its usual documentation and record retention practices. Such records shall be in reasonably sufficient detail to properly reflect, in a good scientific manner, all significant work done, and the results of studies and trials undertaken and, further, shall be at a level of detail appropriate for patent and regulatory purposes.

**4.7. Audit Rights**. As it relates to activities conducted under the Collaboration Development Plan, each Party will allow (a) representatives of regulatory agencies, and (b) with advance notice and during normal business hours, the other Party's employees and representatives, to review standard operating procedures and records, including financial records, solely to the extent directly related to the activities performed under the Collaboration Development Plan, to inspect/audit the facilities used to render the activities, to observe performance of the activities under the Collaboration Development Plan, and to monitor compliance with the terms of this Agreement. Any such inspection or audit shall be limited to information relevant to the activities performed under the Collaboration Development Plan and shall not include access to confidential information relating to other clients or collaborators, proprietary information unrelated to the activities under the Collaboration Development Plan, or information protected under obligations owed to third parties. Each Party will supply to the other Party copies of all standard operating procedures relevant to the activities performed under the Collaboration Development Plan upon request. All inspections or audits conducted under this Section 4.7, shall not unreasonably interfere with the audited Party's business, and shall be at the auditing Party's expense. Any such audit shall be subject to Applicable Law, applicable Regulatory Authority requirements, patient consents, ethics approvals, Human Genetic Resources requirements and Third Party confidentiality or contractual restrictions.

**4.8. Development Diligence**. Climb will use Commercially Reasonable Efforts to Develop and obtain Regulatory Approval for a Licensed Product in the Field in the United States. For clarity, Climb will not be obligated to use efforts to Develop and obtain Regulatory Approval for a Licensed Product in any country in the ROW Territory outside the United States, and any such Development will be in Climb's sole discretion. In addition, each Party shall conduct their activities under the Development Plan using Commercially Reasonable Efforts and in compliance with GCP, cGMP, Applicable Law and other standards as may be appropriate for such activity.

**4.9. Development Technology Transfer and Assistance**.

4.9.1 **Initial Transfers**. Promptly after the Effective Date (but in no event more than [**] after the Effective Date), in addition to the assignment of Regulatory Materials as set forth in Section 5.2 (Assignment of Regulatory Materials), Mabworks will initiate the transfer to Climb of all Licensed Know-How for the Licensed Compounds and Licensed Products, in each case, as they exist as of the Effective Date, including as described on **Schedule 4.9.1** (Initial Transfer to Climb of the Licensed Know-How), with such transfer to be performed in reasonably sufficient detail in order for a reasonably skilled person to practice such Licensed Know-How, except that all Existing Manufacturing Know-How that primarily relates to Manufacturing will be transferred in accordance with Section 6.4 (Manufacturing Know-How Transfer and Assistance) and not this Section 4.9 (Development Technology Transfer Assistance). In furtherance of such transfer, Mabworks will permit and take such actions as reasonably necessary to cause any contract research organizations, clinical development organizations, or other contractors that possesses such Licensed Know-How and Regulatory Materials to provide such Licensed Know-How to Climb. All Licensed Know-How described hereunder will be provided to Climb in its original language, and if the original language of any such Licensed Know-How is not English, then also translated into English (which translated version will be provided within [**] of the original). Mabworks will complete the transfer of Licensed Know-How specified on **Schedule 4.9.1** (Initial Transfer to Climb of the Licensed Know-How) within [**] following the Effective Date, unless otherwise set forth on **Schedule 4.9.1** (Initial Transfer to Climb of the Licensed Know-How) in which case Mabworks will complete the transfer of such Licensed Know-How as set forth on **Schedule 4.9.1** (Initial Transfer to Climb of the Licensed Know-How).

4.9.2 **Assistance**. Upon the reasonable request of Climb, Mabworks will promptly identify, collect, and provide any requested Licensed Know-How to Climb to the extent such Licensed Know-How has not already been provided to Climb. In addition, at least [**] Mabworks will disclose and make available to Climb any additional Licensed Know-How generated by, or that comes into the Control of, Mabworks or its Affiliates during the Term, including all non-clinical data and clinical data for the Licensed Compounds and Licensed Products. All such Licensed Know-How will be provided to Climb in its original language, and if the original language of any such Licensed Know-How is not English, then also translated into English (which translated version will be provided within [**] of the original). Upon the reasonable request of Climb, Mabworks will provide Climb with reasonable technical and knowledge transfer assistance and support in connection with the Development of the Licensed Compounds and the Licensed Products in the Field in the ROW Territory; *provided* that Mabworks will be responsible for the internal costs for the first [**] of assistance set forth in this sentence provided by or on behalf of Mabworks, and Climb will reimburse Mabworks for Mabworks' internal costs for any such assistance that exceeds [**] (such reimbursement rate to be mutually agreed by the Parties prior to Mabworks providing assistance in excess of [**]

**4.10. Development Costs.** As between the Parties, except to the extent expressly provided otherwise herein, each Party will bear its own internal and out-of-pocket expenses (including any expenses incurred by such Party's subcontractors) in conducting all the activities set forth in this Article 4 (Development).

**4.11. Additional Development Services**. Following execution of the Original Agreement, , the Parties entered into a master services agreement dated [**] (the "**Development MSA**") under which Mabworks provides Development services consistent with the terms and scope of activities set forth in **Schedule 4.11** (Master Services Agreement Terms). Upon the request of Climb from time to time, the Parties will discuss in good faith and negotiate for at least [**] the inclusion of additional Development services under the Development MSA, as may be requested by Climb, including potentially performing or otherwise collaborating on Clinical Trials with respect to any Licensed Compound, Licensed Product or other Climb APRIL Product. For clarity, the Parties may agree to pursue Joint Development Activities under the Development MSA, including a Collaboration Study.

## ARTICLE 5
## REGULATORY

**5.1. General**. Subject to the terms of this Agreement, Climb will have sole control over, and decision-making authority with respect to, all regulatory activities necessary for obtaining and maintaining Regulatory Approvals for the Licensed Products in the Field in the ROW Territory, at Climb's own cost and expense. Through discussions at the JSC, Climb will keep Mabworks informed of material regulatory activities related to the Licensed Products in the ROW Territory, including any Regulatory Approvals granted by a Regulatory Authority in the ROW Territory with respect to the Licensed Products. Subject to the terms of this Agreement, Mabworks will have sole control over, and decision-making authority with respect to, all regulatory activities necessary for obtaining and maintaining Regulatory Approvals for the Licensed Products in the Field in the China Territory, at Mabworks' own cost and expense. Through discussions at the JSC, Mabworks will keep Climb informed of material regulatory activities related to the Licensed Products in the China Territory, including any Regulatory Approvals granted by a Regulatory Authority in the China Territory with respect to the Licensed Products. In addition, each Party will provide patient level exposure and pharmacovigilance information with respect to its Territory to the other Party in order for such

other Party to fulfill local and national regulatory reporting obligations under Applicable Law, as further detailed in the Pharmacovigilance Agreement entered into between the Parties in accordance with and pursuant to Section 5.7 (Adverse Events Reporting).

**5.2. Assignment of Regulatory Materials**. To the extent permissible under Applicable Law, (a) Mabworks will transfer and assign, or will cause the transfer or assignment, to Climb or its regulatory agent, Mabworks', or any of its Affiliates', entire rights, title, and interests in and to all Regulatory Approvals and Regulatory Materials in the ROW Territory with respect to the Licensed Compounds and Licensed Products that are owned, Controlled, or possessed by Mabworks or any of its Affiliates, if any, which transfer or assignment will be completed within [**] after the Effective Date and (b) the Parties will complete all other transition activities to enable Climb to assume the regulatory responsibilities for the Licensed Compounds and Licensed Products in the ROW Territory promptly after the Effective Date. In any event, Mabworks will provide any relevant documents to Climb as soon as practical following the Effective Date. In addition, promptly after the Effective Date, Mabworks will provide Climb with access to any databases or web-based platforms that were used by Mabworks to interact with Regulatory Authorities for the Licensed Products in the ROW Territory, if any.

**5.3. Regulatory Approval Holder**. Climb will have sole control over, and decision-making authority with respect to, applying for Regulatory Approvals for the Licensed Products in the Field in the ROW Territory in its own name (or the name of its designee), and Climb (or its designee) will be named as the holder of such Regulatory Approvals in the ROW Territory and will have sole responsibility for Regulatory Approvals for the Licensed Products in the Field in the ROW Territory. Mabworks will have sole control over, and decision-making authority with respect to, applying for Regulatory Approvals for the Licensed Products in the Field in the China Territory in its own name (or the name of its designee), and Mabworks (or its designee) will be named as the holder of such Regulatory Approvals in the China Territory and will have sole responsibility for Regulatory Approvals for the Licensed Products in the Field in the China Territory.

**5.4. Regulatory Assistance**. Mabworks will provide Climb with reasonable assistance in connection with Climb's regulatory activities for the Licensed Products in the Field in the ROW Territory, including the preparation and submission of Regulatory Materials for any IND or BLA in the ROW Territory.

**5.5. Regulatory Materials**.

5.5.1 During the Term, to the extent permitted by and subject to the requirements under Applicable Law, each Party (the "**Sharing Party**") will share with the other Party (a) all material Regulatory Materials Controlled by the Sharing Party or its Affiliates or Sublicensees for the Licensed Compounds or Licensed Products promptly after each such item is available to the Sharing Party, and (b) all other Regulatory Materials for the Licensed Compounds or Licensed Products and any supporting materials related to the Licensed Compounds or Licensed Products Controlled by the Sharing Party or its Affiliates or Sublicensees, in each case ((a) and (b)), within [**] of request by the other Party or as otherwise requested by the JSC; *provided* that all such materials in clause (a) and (b) are necessary, or determined by the Sharing Party in good faith to be reasonably useful, for the other Party's completion and submission of regulatory filings in the other Party's Territory.

5.5.2 To the extent any Regulatory Materials or supporting materials to be submitted or filed by the Sharing Party with a Regulatory Authority incorporate the other Party's data, the

Sharing Party will (a) to the extent reasonably practicable under the circumstances, share with the other Party such regulatory filings and documents reasonably in advance of submission to provide the other Party a reasonable opportunity to review; (b) reasonably consider any comments provided in a timely manner from the other Party for purposes of ensuring that such submission or filing will not adversely affect the Development or Commercialization of the applicable Licensed Product in such other Party's Territory, and (c) keep the other Party reasonably informed on all responses and follow-on communications made by or to the Regulatory Authorities related to such Regulatory Materials or supporting materials. All such Regulatory Materials and supporting materials provided under this Section 5.5 (Regulatory Materials) will be provided in their original language, and if the original language of any such materials is not English, then also translated into English (which translated version will be provided within [**] of the original), which translation will be at the providing Party's sole expense.

**5.6. Regulatory Costs**. As between the Parties, except to the extent expressly provided otherwise herein, each Party will bear its own internal and out-of-pocket expenses (including any expenses incurred by such Party's subcontractors) in conducting all the activities set forth in this Article 5 (Regulatory).

**5.7. Adverse Events Reporting**. Following execution of the Original Agreement,, the Parties entered into a pharmacovigilance and adverse event reporting agreement dated February 23, 2026 setting forth the worldwide pharmacovigilance procedures for the Parties with respect to the Licensed Products, such as safety data sharing, adverse events reporting and prescription events monitoring (the "**Pharmacovigilance Agreement**"). Such procedures will be in accordance with, and enable the Parties to fulfill, local and national regulatory reporting obligations under Applicable Law. The Pharmacovigilance Agreement will provide that Climb will establish and maintain the global safety database for each Licensed Product throughout such Licensed Product's lifecycle, including Commercialization, and Mabworks shall have access to such global safety database. Each Party will hold the primary responsibility for reporting, and will report, quality complaints, adverse events, and safety data related to the Licensed Products in its Territory to such database and to the applicable Regulatory Authorities in its Territory, as well as responding to safety issues and all requests of Regulatory Authorities in its Territory related to the Licensed Products, in each case, to the extent required by Applicable Law. Each Party agrees to comply with its respective obligations under the Pharmacovigilance Agreement and to cause its Affiliates and Sublicensees to comply with such obligations.

**5.8. Notice of Regulatory Action**. If any Regulatory Authority gives notice of its intent to take any material regulatory action with respect to any activity of a Party or its Affiliates relating to a Licensed Product, then the Party receiving such notice will promptly notify the other Party of such notice within [**] after receipt of such notice. The Party receiving such notice will have the sole decision-making authority with respect to the content of any responses to Regulatory Authorities concerning such notice but will consider the other Party's reasonable comments on such responses in good faith.

**5.9. Regulatory Audits and Inspection**. Upon reasonable notification, Climb or its representatives will be entitled to conduct audits of safety and regulatory systems, procedures, or practices of Mabworks or its Affiliates, sublicensees, or subcontractors (including Clinical Trial sites) relating to any Licensed Compound or Licensed Product. With respect to any inspection of Mabworks or its Affiliates, sublicensees or subcontractors (including Clinical Trial sites) by any Governmental Authority relating to any Licensed Compound or Licensed Product, Mabworks will notify Climb of such inspection (a) no later than [**] after Mabworks receives notice of such inspection (or in

any event with as much advanced notice as is possible prior to such inspection if Mabworks receives notice thereof less than [**] in advance of the applicable inspection) or (b) within [**] after the completion of any such inspection of which Mabworks did not receive prior notice (or such other timeline as set forth in the Quality Agreement). Mabworks will promptly provide Climb with all information related to any such inspection. To the extent permitted by Applicable Law, Mabworks will also permit Governmental Authorities in the ROW Territory to conduct inspections of Mabworks or its Affiliates, licensees, sublicensees, and subcontractors (including Clinical Trial sites) relating to any Licensed Compound or Licensed Product, and will ensure that all such Affiliates, licensees, sublicensees, and subcontractors permit such inspections. Climb will have the right, but not the obligation (unless required by Applicable Law or any Governmental Authority), to be present at any such inspection. Following any such regulatory inspection related to one or more Licensed Compounds or Licensed Products, Mabworks will provide Climb with (i) an unredacted copy of any findings, notice, or report provided by any Governmental Authority related to such inspection (to the extent related to a Licensed Compound or Licensed Product) within [**] of Mabworks receiving the same (or such other timeline set forth in the Quality Agreement), and (ii) an English translation of any findings, notice, or report of a Governmental Authority related to such inspection (to the extent related to a Licensed Compound or Licensed Product) within [**] after receiving the same (or as otherwise set forth in the Quality Agreement).

**5.10.** **No Harmful Actions**. If either Party believes that the other Party is taking or intends to take any action with respect to the Licensed Products that could have a material adverse affect upon the regulatory status of the Licensed Products, then such Party will have the right to bring the matter to the attention of the other Party and the Parties will promptly meet to discuss in good faith to resolve such concern. Without limiting the foregoing, unless the Parties otherwise agree: (a) neither Party will communicate with any Regulatory Authority having jurisdiction outside its respective Territory regarding the Licensed Products, unless so ordered by such Regulatory Authority, in which case such Party will promptly notify the other Party of such order and the Parties will work together in good faith on any potential response, *provided* that nothing in this clause (a) will prohibit a Party from responding solely to the extent required by Applicable Law, (b) neither Party will submit any Regulatory Materials for the Licensed Products in the other Party's Territory, and (c) neither Party will seek any Regulatory Approvals for the Licensed Products in the other Party's Territory.

**5.11.** **Remedial Actions**. Each Party will notify the other immediately, and promptly confirm such notice in writing, if it obtains information indicating that any Licensed Product may be subject to any recall, corrective action, or other regulatory action by any Regulatory Authority or other Governmental Authority (a "**Remedial Action**"). The Parties will assist each other in gathering and evaluating such information as is necessary to determine the necessity of conducting a Remedial Action. Climb will have sole discretion with respect to any matters relating to any Remedial Action in the ROW Territory, including the decision to commence such Remedial Action and the control over such Remedial Action. Mabworks will have sole discretion with respect to any matters relating to any Remedial Action in the China Territory, including the decision to commence such Remedial Action and the control over such Remedial Action. Each Party will, and will ensure that its Affiliates and sublicensees will, maintain adequate records to permit such Party to trace the distribution, sale, and use of the Licensed Products in their respective Territory.

## ARTICLE 6
## SUPPLY; MANUFACTURING TRANSFER

**6.1. Clinical Supply Agreement**. Following execution of the Original Agreement,, the Parties entered into a clinical supply agreement dated [**] ("**Clinical Supply Agreement**"), consistent with the

supply terms as set forth in **Schedule 6.1(a)** (Clinical Supply Terms), pursuant to which Mabworks Manufactures and supplies, itself or through an Affiliate or Third Party manufacturer, Licensed Compounds and Licensed Products for Climb to support Climb's Development of the Licensed Compounds and Licensed Products in the Field in the ROW Territory, including, with respect to [**] Clinical Trial supply, in accordance with the fees set forth in **Schedule 6.1(b)** ([**] Clinical Supply Pricing). Mabworks will supply Licensed Compounds and Licensed Products under the Clinical Supply Agreement at a price equal to Mabworks' Fully Burdened Cost plus [**] If the Parties are unable to agree on the terms of a Clinical Supply Agreement within [**] after the Effective Date, then Climb may refer such matter to a Third Party Expert pursuant to Section 14.4 (Baseball Arbitration) for resolution.

**6.2. Quality Agreement.** Following execution of the Original Agreement, the Parties entered into the Quality Agreement. The Quality Agreement governs all technical and quality matters relating to the Manufacture and supply of Licensed Compound, Licensed Product, and placebo hereunder as more particularly set out therein. If there is a conflict between this Agreement (or the Clinical Supply Agreement entered into between the Parties pursuant to Section 6.1 (Clinical Supply Agreement)) and the Quality Agreement, then the Quality Agreement will govern in relation to technical quality issues only. If the Parties are unable to agree on the terms of a Quality Agreement within [**] after the Effective Date, then either Party may refer such matter to a Third Party Expert pursuant to Section 14.4 (Baseball Arbitration) for resolution.

**6.3. Commercial Supply.** Upon Climb's request, and without prejudice to Climb's right to Manufacture or have Manufactured Licensed Compounds and Licensed Products itself or by a Third Party, the Parties will negotiate in good faith the terms and conditions, including minimum volumes, of a commercial supply agreement together with a corresponding quality agreement pursuant to which Mabworks would Manufacture and supply, itself or through an Affiliate or Third Party manufacturer, the Licensed Compounds and Licensed Products for Climb. It shall be deemed reasonable and in good faith for a Party to consider factors such as pricing, capacity, reliability, capability, quality/compliance, legal and political landscape, the need for Mabworks to use subcontractors, proximity to the applicable country Licensed Product is being supplied to, such Party's constraints under existing commercial supply contracts, and Climb's and its Sublicensees' internal manufacturing capabilities in its negotiations of the terms and conditions of any commercial supply agreement.

**6.4. Manufacturing Know-How Transfer and Assistance.**

6.4.1 **Initial Transfer; MTT Plan**. Upon receipt of Climb's written notice, Mabworks shall promptly complete the transfer to Climb of the Existing Manufacturing Know-How described on **Schedule 6.4.1** (Initial Manufacturing Know-How Transfer), and in any event, within [**] of such written notice from Climb. In addition, within [**] following the written request from Climb for any subsequent manufacturing transfer, the JMC will review, discuss and approve a manufacturing technology transfer plan ("**MTT Plan**") pursuant to which Mabworks shall transfer to Climb (or its designee) all Licensed Know-How Controlled by Mabworks or its Affiliates and available as of the finalization date of the MTT Plan or another mutually agreed cut-off date as otherwise specified in the MTT Plan that is necessary or reasonably useful for the Manufacture of Licensed Products ("**Existing Manufacturing Know-How**"), which transfer shall include pertinent process, analytical, and formulation development reports and summaries, technical memoranda, technology transfer packages, master batch records, analytical methods, and other information related to the Manufacture of Licensed Compounds and Licensed Products. The MTT Plan will include the activities that each Party is

responsible for, as well as timelines for the completion of such activities. Either Party may propose amendments to the MTT Plan which the JMC will review, discuss and determine whether to approve, and with such amendment only becoming effective on such JMC approval and JSC endorsement. Mabworks will perform its activities under the MTT Plan within the timelines set forth in the MTT Plan. All Existing Manufacturing Know-How shall be provided to Climb in its original language, and if not already translated in English, also in English.

6.4.2 **Assistance**. Mabworks will provide Climb with reasonable consultation and technical assistance to enable Climb (or its designee) to Manufacture the Licensed Compounds and Licensed Products. Mabworks will make the appropriate employees and consultants (including appropriate personnel of its Affiliates) reasonably available to Climb (or its designee) at reasonable times, places, and frequency, and upon reasonable prior notice, to Climb (or its designee) for the purpose of assisting Climb (or its designee) to understand and use the Existing Manufacturing Know-How to Manufacture the Licensed Compound and Licensed Product.

6.4.3 **Manufacturing Costs**. As between the Parties, except to the extent expressly provided otherwise herein, each Party will bear its own internal and out-of-pocket expenses (including any expenses incurred by such Party's subcontractors) in conducting all the activities set forth in this Section 6.4 (Manufacturing; Supply).

6.4.4 **Additional Manufacturing Development Activities**. If additional Manufacturing development activities (including process optimization, analytical procedure optimization, scaling-up, delivery device development) are required for manufacturing technology transfer, both Parties shall discuss in good faith the cost and expense therefor.

## ARTICLE 7
## COMMERCIALIZATION

**7.1. General**. Subject to the terms and conditions of this Agreement, Climb will, either by itself or through its Affiliates, Sublicensees or Subcontractors, be solely responsible for the Commercialization of the Licensed Products in the Field in the ROW Territory at its sole cost and expense. Subject to the terms and conditions of this Agreement, Mabworks will, either by itself or through its Affiliates, licensees or subcontractors, be solely responsible for the Commercialization of the Licensed Product in the Field in the China Territory at its sole cost and expense.

**7.2. Commercialization Diligence**. Following receipt of Regulatory Approval for a Licensed Product in the United States, Climb will use Commercially Reasonable Efforts to Commercialize such Licensed Product in the United States. For clarity, Climb will not be obligated to use efforts to Commercialize Licensed Products in any country in the ROW Territory outside the United States, and any such Commercialization will be in Climb's sole discretion.

## ARTICLE 8
## FINANCIAL PROVISIONS

**8.1. Upfront Payment**. Following execution of the Original Agreement, Climb paid Mabworks a one-time upfront amount equal to $9,000,000 ("**Upfront Payment**"), subsequent to which Mabworks transferred the Licensed Know-How and the prosecution rights for the Existing PCT Application in accordance with Section 4.9 (Development Technology Transfer and Assistance), Section 6.4

(Manufacturing Know-How Transfer and Assistance) and Section 9.2.3 (Existing PCT Application), as applicable.

**8.2. Development Milestone Payments**.

8.2.1 **Development Milestones**. Based on the value of Existing PCT Application and Know-How agreed by both Mabworks and Climb, as well as the rights and obligations of both Parties under this Agreement, subject to the terms and conditions of this Agreement, Climb will pay to Mabworks the following one-time payments set forth in Table 8.2.1 (each, a "**Development Milestone Payment**") upon the first achievement of each corresponding event set forth in Table 8.2.1 by Climb or its Affiliates or Sublicensees (each, a "**Development Milestone Event**").

**Table 8.2.1: Development Milestone Payments**

| ***Development Milestone Event*** | ***Development Milestone Payment for a first Indication*** | ***Development Milestone Payment for a second Indication*** | ***Development Milestone Payment for a third Indication*** |
|---|---|---|---|
| [**] | | | |
| | | | |
| [**] | | | |
| | | | |
| | | | |
| | | | |

[**]

8.2.2 **Notification**. Climb will notify Mabworks of the achievement of each Development Milestone Event within [**] after such achievement and Mabworks will issue an invoice to Climb promptly thereafter in respect of the same. Within [**] after receipt of each Development Milestone Event invoice, Climb will pay the applicable Development Milestone Payment amount to Mabworks.

8.2.3 **One-Time Payments**. Each Development Milestone Payment will be paid only once on the first occurrence of such Development Milestone Event by Climb or any of its Affiliates or Sublicensees, notwithstanding the potential Development of multiple Licensed Products hereunder that may involve separate Clinical Trials or Regulatory Approval filings for multiple Indications, and regardless of how many times such Development Milestone Event is achieved or the number of Licensed Products that achieve such Development Milestone Event.

8.2.4 **Total Payments**. For the avoidance of doubt, the potential aggregate total of all Development Milestone Payments payable for the Licensed Products under this Agreement if all Development Milestone Events are achieved will be [**]

**8.3. Sales Milestone Payments**.

8.3.1 **Sales Milestones**. Based on the value of Existing PCT Application and Know-How agreed by both Mabworks and Climb, as well as the rights and obligations of both Parties under this Agreement, subject to the terms and conditions of this Agreement,

Climb will pay to Mabworks the following one-time milestone payments set forth in Table 8.3 (each, a "**Sales Milestone Payment**") upon the first achievement of the corresponding milestone event by Climb or its Affiliates or Sublicensees set forth in Table 8.3 (each, a "**Sales Milestone Event**").

| **Table 8.3: Sales Milestones** | |
|---|---|
| ***Sales Milestone Event*** | ***Sales Milestone Payment*** |
| [**] | |
| [**] | |
| | |
| | |
| | |
| | |
| | |

8.3.2 **Notification**. Climb will notify Mabworks of the achievement of any Sales Milestone Event within [**] after becoming aware of such achievement, and Mabworks will issue an invoice to Climb in respect of the same. Climb will pay Mabworks the applicable Sales Milestone Payment within [**] after receipt of each Sales Milestone Event invoice.

8.3.3 **One-Time Payments**. Each Sales Milestone Payment will be paid only once for each of the above, regardless of how many times such Sales Milestone Event is achieved. For clarity, if more than one of the Sales Milestone Events set forth in the table above are first achieved in the same Calendar Year, then each applicable Sales Milestone Payment for each first achievement of such Sales Milestone Events will become payable in accordance with this Section 8.3.2 (Notification).

8.3.4 **Total Payments**. For the avoidance of doubt, the potential aggregate total of all Sales Milestone Payments payable for the Licensed Products under this Agreement if all Sales Milestone Events are achieved will be $832,000,000.

**8.4. Royalty Payments**.

8.4.1 **Royalty Rate**. Subject to Section 8.4.2 (Royalty Term) and Section 8.4.3 (Royalty Reduction), Climb will pay to Mabworks tiered royalties on Net Sales of the Licensed Products in the ROW Territory as set forth in Table 8.4.1:

| **Table 8.4.1: Royalty Rates** | |
|---|---|
| ***Annual Net Sales of the Licensed Products in the ROW Territory in a Calendar Year*** | ***Royalty Rate*** |
| Portion of Annual Net Sales of the Licensed Products in the ROW Territory up to and including [**] | [**] |
| Portion of Annual Net Sales of the Licensed Products in the ROW Territory greater than [**] and up to and including [**] | [**] |
| Portion of Annual Net Sales of the Licensed Products in the ROW Territory greater than [**] | [**] |

Each royalty rate set forth in the table above will apply only to that portion of the Annual Net Sales of the Licensed Products in the ROW Territory during a given Calendar Year that falls within the indicated portion. For example, if aggregate Net Sales of the Licensed Products in the ROW Territory in a given Calendar Year were [**] then the royalties payable with respect to such Net Sales would be: [**]

8.4.2 **Royalty Term**. Royalties payable under this Section 8.4 (Royalty Payments) will be paid by Climb on a Licensed Product-by-Licensed Product and country-by-country basis from the date of First Commercial Sale of such Licensed Product in such country until the later of: (a) expiration of the last-to-expire Valid Claim of the Licensed Patent Rights Covering the composition of matter of the Licensed Compound in such Licensed Product in such country and (b) 10 years following the First Commercial Sale in such country of such Licensed Product (each such term with respect to a Licensed Product in a country, a "**Royalty Term**").

8.4.3 **Royalty Reduction**.

(a) **Lack of Valid Claims**. On a Licensed Product-by-Licensed Product and country-by-country basis, subject to Section 8.4.3(c) (Cumulative Floors), during any period in which the composition of matter of the Licensed Compound in such Licensed Product in such country is not Covered by a Valid Claim in the Licensed Patent Rights in the applicable country, the Net Sales of such Licensed Product in such country used to calculate royalties and Sales Milestone Payments due for such Licensed Product in accordance with Section 8.4.1 (Royalty Rate) and Section 8.3 (Sales Milestones) will be reduced by [**] with respect to such country for the remainder of the applicable Royalty Term for such Licensed Product in such country.

(b) **Biosimilar Products**. On a Licensed Product-by-Licensed Product and country-by-country basis, if, during any Calendar Quarter during the Royalty Term for such Licensed Product in such country (i) one or more Biosimilar Products with respect to such Licensed Product is approved for sale by the applicable Regulatory Authorities for such country, or (ii) there are one or more Biosimilar Products being sold in such country with respect to such Licensed Product, then, subject to Section 8.4.3(c) (Cumulative Floors), the Net Sales of such Licensed Product in such country used to calculate royalties and Sales Milestone Payments due for such Licensed Product in accordance with Section 8.4.1 (Royalty Rate) and Section 8.3 (Sales Milestones) will be reduced by [**] with respect to such country for the remainder of the applicable Royalty Term for such Licensed Product in such country.

(c) **Cumulative Floors**. In no event will the Net Sales of a Licensed Product in a country used to calculate royalties and Sales Milestone Payments due for such Licensed Product in accordance with Section 8.4.1 (Royalty Rate) and Section 8.3 (Sales Milestones) be reduced cumulatively in a given Calendar Quarter as a result of the applicable of Section 8.4.3(a) (Lack of Valid Claims) and 8.4.3(b) (Biosimilar Products) to less than [**] of the Net Sales for such Licensed Product in such country in such Calendar Quarter. If Climb is precluded from taking a reduction in a Calendar Quarter by operation of the limitation set forth in this Section 8.4.3(c) (Cumulative Floor), then Climb will be entitled to carry forward the amount of the reduction that Climb was unable to take during a Calendar

Quarter with respect to a Licensed Product to future Calendar Quarters and for such Licensed Product until Climb has taken the amount of such reduction in full.

8.4.4 **Inflation Reduction Act Royalty Adjustments**. In addition to any reductions set forth in Section 8.4.3 (Royalty Reductions), if, during the Royalty Term for a Licensed Product, such Licensed Product is designated as a "selected drug" by the Secretary of the U.S. Department of Health and Human Services, and Climb or its Affiliate or Sublicensee is required to negotiate a maximum fair price that will apply to sales of such Licensed Product during the price applicability period as specified in the Inflation Reduction Act, then the applicable royalty rates set forth in Section 8.4.1 (Royalty Rate) payable to Mabworks for the Net Sales of such Licensed Product in the United States will be reduced by a percentage equal to the percentage by which the price of such Licensed Product is decreased as a result of such selection and the ensuing price negotiation pursuant to the Inflation Reduction Act. Any adjustment of royalties pursuant to this Section 8.4.4 (Inflation Reduction Act Royalty Adjustments) will apply after and in addition to any adjustments to royalties pursuant to Section 8.4.3 (Reductions).

8.4.5 **Expiration of Royalty Term**. Upon the expiration of the Royalty Term with respect to a Licensed Product in a country, the license granted by Mabworks to Climb pursuant to Section 2.1 (License Grant) with respect to such Licensed Product in such country will become fully paid-up, royalty-free, non-terminable, irrevocable, and perpetual.

8.4.6 **Royalty Reports; Payments**. Climb will, within [**] following the end of each Calendar Quarter in which a royalty payment accrues, (a) provide to Mabworks a report specifying for such Calendar Quarters [**] The information contained in each report under this Section 8.4 (Royalty Reports; Payments) will be considered Confidential Information of Climb.

**8.5. Third Party Technology**.

8.5.1 **General**. On a Licensed Product-by-Licensed Product basis, Climb may deduct from (a) any Development Milestone Payments pursuant to Section 8.2 (Development Milestone Payments), (b) any Sales Milestone Payments pursuant to Section 8.3 (Sales Milestones), and (c) the royalties owed to Mabworks pursuant to Section 8.4.1 (Royalty Rate), in each case, with respect to such Licensed Product, [**] of any Third Party Payments paid by Climb or its Affiliates or Sublicensees with respect to such Licensed Product.

8.5.2 **Upstream Licenses**. As between the Parties, Mabworks will be responsible for all payment obligations arising under any Upstream In-License.

**8.6. Sublicense Payments**.

8.6.1 If Climb sublicenses to a Third Party Sublicensee any of its rights granted to Climb under Section 2.1 (License Grants) for the purposes of Development or Commercialization of a Licensed Product by such Third Party Sublicensee (a "**Sublicense Transaction**") prior to the Initiation of the first Phase 2 Clinical Trial for a Licensed Product by Climb or its Affiliates or Sublicensees, then Climb shall pay to Mabworks [**] of the Sublicense Income from such Sublicense Transaction.

8.6.2 If Climb enters a Sublicense Transaction after the Initiation of the first Phase 2 Clinical Trial for a Licensed Product by Climb or its Affiliates or Sublicensees and prior to the earlier of (a) Initiation of the first Phase 3 Clinical Trial for a Licensed Product by Climb or its Affiliates or Sublicensees, and (b) in the event that a Phase 2 Clinical Trial of such Licensed Product is a Registrational Trial for such Licensed Product, the earlier of: (i) the submission to the FDA of the briefing book in connection with an End of Phase 2 Meeting, or the foreign equivalent, by Climb or its Affiliates or Sublicensees, *provided* that the FDA or its foreign equivalent does not require Climb to continue the current Phase 2 Clinical Trial or conduct additional Clinical Trials to obtain Regulatory Approval, and (ii) the filing of an NDA for such Licensed Product by Climb or its Affiliates or Sublicensees, then Climb shall pay to Mabworks [**] of the Sublicense Income from such Sublicense Transaction.

8.6.3 If Climb enters a Sublicense Transaction after the earlier of (a) Initiation of the first Phase 3 Clinical Trial for a Licensed Product by Climb or its Affiliates or Sublicensees, and (b) in the event that a Phase 2 Clinical Trial of such Licensed Product is a Registrational Trial for such Licensed Product, the earlier of: (i) the submission to the FDA of the briefing book in connection with an End of Phase 2 Meeting, or the foreign equivalent, by Climb or its Affiliates or Sublicensees, *provided* that the FDA or its foreign equivalent does not require Climb to continue the current Phase 2 Clinical Trial or conduct additional Clinical Trials to obtain Regulatory Approval, and (ii) the filing of an NDA for such Licensed Product by Climb or its Affiliates or Sublicensees, then Climb shall pay to Mabworks [**] of the Sublicense Income from such Sublicense Transaction (the payments to Mabworks in Sections 8.6.1 (Sublicense Payments), 8.6.2 (Sublicense Payments) and 8.6.3 (Sublicense Payments), the "**Sublicense Payments**").

8.6.4 Climb shall, within [**] following the end of each Calendar Quarter in which it receives Sublicense Income from a Sublicense Transaction, (a) provide to Mabworks a report specifying for such Calendar Quarter the amount of Sublicense Income received by Climb and the Sublicense Payments that are payable, and (b) make the payment of any Sublicense Payments owed to Mabworks for such Calendar Quarter in arrears within [**] after receiving an invoice from Mabworks for such amounts. The information contained in each report under this Section 8.6.4 (Sublicense Payments) shall be considered Confidential Information of Climb.

**8.7. Taxes and Withholding**.

8.7.1 **VAT**. The Parties agree to cooperate in good faith with one another and use reasonable efforts to eliminate or reduce any VAT in respect of any payments made by Climb to Mabworks under this Agreement, to the extent permitted by Applicable Law. All payments under this Agreement are exclusive of VAT other than any VAT imposed by the PRC, if any, which shall be borne by Mabworks. If any VAT is required in respect of any payments under Applicable Law (other than as imposed by the PRC), the payor will pay VAT at the applicable rate in respect of any such payments following the receipt of a valid VAT invoice in the appropriate form issued by the payee in respect of those payments, such VAT to be payable on the later of the due date of the payments to which such VAT relates and [**] after the receipt by the payor of the applicable valid invoice relating to that VAT payment. The Parties will reasonably cooperate to issue valid VAT invoices for all amounts due under this Agreement consistent with VAT requirements. The payor will not be responsible for any penalties and interest resulting from the failure by the payee to collect (if not included on a valid VAT invoice) or remit any such VAT.

8.7.2 **Withholding**. All payments due to Mabworks under this Agreement will be made without deduction of income Taxes, or withholding for income Tax or other Taxes of similar nature, except insofar as Climb is required by Applicable Law to withhold Tax (other than VAT, which will be governed by Section 8.7.1 (VAT)) from a payment, under which circumstance Climb may (a) deduct and withhold from such payment all Taxes that are required to be deducted or withheld therefrom under any provision of Applicable Law; (b) make such payment to Mabworks net of any Taxes so deducted or withheld (and for the avoidance of doubt any payment so made net of Taxes will be treated as having been paid and satisfied in full by Climb for all purposes under this Agreement); (c) pay the Taxes to the proper Tax Authority; and (d) send evidence of the obligation together with proof of Tax payment to the other Party on a reasonable and timely basis following such Tax payment.

8.7.3 **Cooperation and Assistance**. If Climb believes that any payment it is required to make under this Agreement may or will be subject to withholding Tax, then prior to making such payment: (a) Climb will inform Mabworks of such belief; (b) Mabworks will promptly (and at its own cost): (i) provide to Climb any information and documentation required for purposes of: (A) determining if and to what extent withholding Tax will apply to the relevant payment; and (B) establishing, to the extent possible, any qualification for an exemption from, or reduced rate of, or any other appropriate Tax relief applicable to, such withholding Tax under an applicable income Tax treaty or statutory provision (in each case, a "**Withholding Tax Relief**"); and (ii) notify Climb if it believes that it is eligible for any Withholding Tax Relief in respect of such payment; (c) if Climb determines that Mabworks may be eligible for any Withholding Tax Relief in respect of such payment, each Party will use reasonable efforts to cooperate with the other Party in claiming and obtaining such Withholding Tax Relief (and for the avoidance of doubt Mabworks shall under this subsection (c) be required, at Climb's request (and at Mabworks' cost), to duly and timely take, or cause to be taken, any action that it is required to take (if any) in order to qualify for and obtain such Withholding Tax Relief).

**8.8. Disputed Payments**. If a dispute arises between the Parties, each acting in good faith, in respect of any part of an invoice, then the disputing Party will notify the other Party promptly in writing with particulars of such dispute and will be entitled to withhold payment of the so disputed part of the invoice; *provided* that any undisputed amounts will be paid when due. Each Party will use reasonable efforts to promptly and in good faith resolve the dispute in accordance with Article 14 (Dispute Resolution). Payment of any disputed amounts will be made within [**] following the resolution of such dispute.

**8.9. Offsets**. Each Party will have the right to offset any amount owed to it by the other Party under or in connection with this Agreement (as determined in good faith by such Party), including pursuant to Article 8 (Financial Provisions) or in connection with any breach, against any payments owed by it to such other Party under this Agreement. Such offsets will be in addition to any other rights or remedies available under this Agreement or Applicable Law. Any offsets under this Agreement shall be subject to prior written agreement between the Parties, or, in the absence of such agreement, subject to resolution under the dispute resolution procedures set forth in this Agreement in the event of a dispute over the validity of the offset. The offsetting Party shall provide the other Party with written notice of any intended offset, including details of the amount and basis for such offset, at least [**] prior to applying such offset.

**8.10.** **Currency Conversion**. Each Party will use its then-current standard exchange rate methodology, as applied in its external reporting, for the translation of foreign currency transactions into Dollars under this Agreement. Each Party will give the other Party prompt written notice of any changes to such Party's customary and usual procedures for currency conversion, which will only apply (a) after such notice has been delivered and (b) if the changes continue to maintain a set methodology for currency conversion.

**8.11.** **Blocked Payments**. If, by reason of Applicable Law in any country, it becomes impossible or illegal for a Party or any of its applicable Affiliates or Sublicensees to transfer, or have transferred on its behalf, any payments to the other Party, then the payor Party will promptly notify the payee Party of the conditions preventing such transfer and such payments will be deposited (in the relevant local currency) to the credit of the payee Party in a recognized banking institution that is (a) designated by the payee Party and (b) is located in the payor Party's country, or, if no such banking institution is designated by the payee Party within a period of [**] after the payee Party's receipt of the applicable notice from the payor Party, in a recognized banking institution selected by the payor Party and identified in a notice given to the payee Party.

**8.12.** **Payment Method**. All payments to be made by a Party to the other Party under this Agreement will be made in Dollars by wire transfer in immediately available funds to a bank account designated in writing by such other Party.

**8.13.** **Financial Audits**.

8.13.1 **Records Retention**. The Parties agree to keep and procure its Affiliates to keep complete and accurate records for a minimum period of [**] after the conclusion of the Calendar Year in which the relevant payment is owed pursuant to this Agreement, setting forth (a) with respect to Climb, the sales and other disposition of Licensed Products sold or otherwise disposed of in sufficient detail to enable Sales Milestone Payments, royalties, and Sublicense Payments payable to Mabworks hereunder to be determined, and (b) with respect to Mabworks, the costs included in the Fully Burdened Cost of any Licensed Compounds or Licensed Products supplied by Mabworks or its Affiliates to Climb.

8.13.2 **Mabworks Audit Right**. Climb further agrees, upon not less than [**] prior written notice, to permit the books and records relating to the sales and other disposition of Licensed Products and Sublicense Income to be examined by an independent accounting firm selected by Mabworks and reasonably acceptable to Climb for the purpose of verifying the achievement of Sales Milestone Events under Section 8.3 (Sales Milestone Payments), reports provided by Climb under Section 8.4.6 (Royalty Reports; Payments), and the amount of Sublicense Income reported under Section 8.6.4 (Sublicense Payment). Such audit will not be performed more frequently than once in any [**] period or with respect to any reporting period and not go back more than [**] preceding the current Calendar Year, and will be conducted under appropriate confidentiality provisions, for the sole purpose of verifying the accuracy and completeness of all financial, accounting and numerical information and calculations provided under Section 8.3 (Sales Milestone Payments), Section 8.4.6 (Royalty Reports; Payments), and Section 8.6.4 (Sublicense Payments). The independent accounting firm will have reasonable access, on reasonable notice and during Climb's normal business hours to individuals, records, and responses to questions from auditors in a timely manner. The independent accounting firm will disclose to Mabworks only whether the payments made under this Agreement were accurate and the specific details concerning any

discrepancies. For clarity, upon Mabworks' written request and at its sole cost, Climb shall exercise its then-available audit rights with respect to Climb's Sublicensees and Affiliates and if such rights allow, engage a mutually agreed third party accounting firm to audit such Sublicensees and Affiliates in order to verify the accuracy of the Net Sales generated from the sale or other disposition of Licensed Products by such Sublicensees and Affiliates.

8.13.3 **Climb Audit Right**. Mabworks further agrees, upon not less than [**] prior written notice, to permit the books and records relating to the costs for Licensed Compound and Licensed Product supplied to Climb to be examined by an independent accounting firm selected by Climb and reasonably acceptable to Mabworks for the purpose of verifying the Fully Burdened Cost of Licensed Compounds and Licensed Products supplied to Climb under Section 6.1 (Clinical Supply Agreement). Such audit will not be performed more frequently than once in any [**] period or with respect to any reporting period and not go back more than [**] preceding the current year, and will be conducted under appropriate confidentiality provisions, for the sole purpose of verifying the accuracy and completeness of all financial, accounting and numerical information and calculations with respect to such Fully Burdened Cost. The independent accounting firm will have reasonable access, on reasonable notice and during Mabworks' normal business hours to individuals, records, and responses to questions from auditors in a timely manner. The independent accounting firm will disclose to Climb only whether the payments made for such supply were accurate and the specific details concerning any discrepancies.

8.13.4 **Responsibility for Costs**. Such examination is to be made at the expense of the auditing Party, except if (a) with respect to an audit by Mabworks, the results of the audit reveal an underpayment of royalties, milestones, or other payments to Mabworks under this Agreement greater than [**] or (b) with respect to an audit by Climb, the results of the audit reveal an overpayment for supply of Licensed Compounds and Licensed Products to Mabworks under this Agreement greater than [**] in which case ((a) and (b)), reasonable audit fees for such examination will be paid by the audited Party.

8.13.5 **Underpayments and Overpayments**. If such audit discovers any underpayment or overpayment, then such amount will be paid or refunded (as the case may be) within [**] after the accounting firm's report. Any discrepancies identified in the audit shall be resolved within [**] of the audit results being provided, including the payment of underpaid amounts.

8.13.6 **Late Payments.** If Mabworks does not receive payment of any sum due to it on or before the due date therefor, simple interest shall thereafter accrue on the sum due to Mabworks from the due date until the date of payment at the lesser of (a) the U.S. prime rate, as reported by The Wall Street Journal from time to time, *plus* [**] per annum and (b) the maximum applicable legal rate. The interest payment shall be due from the day the original payment was due until the day that the payment was received by Mabworks; *provided* that, with respect to any disputed payments, no interest shall accrue during the pendency of such dispute, and the interest which shall be payable thereon shall be based on the finally-resolved amount of such payment, calculated from the original date on which the disputed payment was due through the date on which payment is actually made but excluding the period where such payment dispute was being resolved.

## ARTICLE 9
## INTELLECTUAL PROPERTY

**9.1. Inventions**.

9.1.1 **Ownership of Background Technology**. As between the Parties, each Party will retain all of its rights, title and interests in and to all Patent Rights, Know-How and other intellectual property rights that are Controlled by such Party or its Affiliates prior to the Effective Date or are otherwise conceived, discovered, developed, invented, created or otherwise made or acquired by such Party or its Affiliates outside the performance of activities under this Agreement, subject to any rights or licenses expressly granted by such Party to the other Party under this Agreement.

9.1.2 **Ownership of Foreground Technology**. As between the Parties, subject to any rights or licenses expressly granted by one Party to the other Party under this Agreement, ownership of all Foreground Technology will be as follows:

(a) Climb will solely own all rights, title, and interests in and to all Foreground Know-How developed, conceived, or reduced to practice during the Term solely by or on behalf of Climb or any of its Affiliates' or Sublicensees' employees, independent contractors, or consultants, in the course of conducting activities under this Agreement and any Foreground Patent Rights that Cover any such Foreground Know-How.

(b) Mabworks will solely own all rights, title, and interests in and to all Foreground Know-How developed, conceived, or reduced to practice during the Term solely by or on behalf of Mabworks or any of its Affiliates' or licensees (other than Climb and its Affiliates and Sublicensees) employees, independent contractors, or consultants, in the course of conducting activities under this Agreement and any Foreground Patent Rights that Cover any such Foreground Know-How.

(c) All Joint Foreground Technology will be jointly owned by the Parties on an equal and undivided basis. Subject to the exclusive licenses granted by Mabworks to Climb under Article 2 (Licenses) and the rights set forth in this Article 9 (Intellectual Property) regarding filing, prosecution, maintenance, enforcement and defense of Joint Foreground Patent Rights, each Party will be entitled to the free use and enjoyment of all Joint Foreground Technology, and neither Party will have any obligation to account to the other Party for profits, or to obtain any approval of the other Party to license, assign, or otherwise exploit any Joint Foreground Technology by reason of joint ownership thereof. Each Party hereby waives, and agrees to waive, any right it may have under the Applicable Law of any jurisdiction to require any such approval or accounting. To the extent any further consent is required to enable a Party to so license or exploit its interest in the Joint Foreground Technology, the other Party will grant consent promptly upon request. Without limitation, each Party will cooperate with the other Party if the Parties determine to apply for U.S. or foreign patent protection for any Joint Foreground Technology and will obtain the cooperation of the individual inventors of any such Joint Foreground Technology.

9.1.3 **Disclosure; Inventorship**.

(a) **Invention Disclosure**. During the Term, each Party will disclose to the other Party all Joint Foreground Technology that is invented jointly by or on behalf of such Party or its Affiliates, and such disclosure will (i) be made promptly and in any event reasonably prior to the filing of any patent application with respect to such Joint Foreground Technology, and (ii) will include all invention disclosures or other similar documents submitted to such Party by its or its Affiliates' employees, agents or independent contractors or sublicensees relating thereto.

(b) **Inventions by a Party**. For purposes of determining ownership in accordance with this Section 9.1 (Inventions), inventorship for inventions and discoveries (including Know-How) first invented or developed during the course of the performance of activities under this Agreement will be determined in accordance with United States patent law.

9.1.4 **Personnel Obligations**. Each employee, agent, or independent contractor of a Party or its respective Affiliates performing work under this Agreement will, prior to commencing such work, be bound by written invention assignment obligations, including: (a) promptly reporting any invention, discovery, or other intellectual property right; (b) presently assigning to such Party or Affiliate all of his or her rights, title, and interests in and to any invention, discovery, or other intellectual property; (c) cooperating in the preparation, filing, prosecution, maintenance and enforcement of any patent and patent application; and (d) performing all acts and signing, executing, acknowledging, and delivering any and all documents required for effecting the obligations and purposes of this Agreement. It is understood and agreed that such invention assignment agreement need not reference or be specific to this Agreement. Each Party will be solely responsible for any payments to inventors with an obligation to assign, or who do assign, their rights, title, and interests in and to any Foreground Technology to such Party.

**9.2. Patent Prosecution**.

9.2.1 **Climb First Right**. Limited to the ROW Territory, Climb will have the first right to control the Patent Prosecution for all Licensed Patent Rights and Joint Foreground Patent Rights at Climb's own cost and expense. Climb will keep Mabworks reasonably informed of the status of the Licensed Patent Rights and Joint Foreground Patent Rights. Climb will consider in good faith any comments from Mabworks concerning the prosecution and maintenance of the Licensed Patent Rights and Joint Foreground Patent Rights. Climb will notify Mabworks of any decision to cease prosecution, defense, or maintenance of any Licensed Patent Rights or Joint Foreground Patent Rights outside the ordinary course of patent prosecution (*e.g.*, abandonment of an application in favor of a continuation application). Climb will provide such notice at least [**] prior to any filing or payment due date, or any other due date that requires action in order to avoid loss of rights, in connection with such Licensed Patent Right or Joint Foreground Patent Right. In such event, Mabworks will have the right (but not the obligation), at Mabworks' discretion and expense, to continue the prosecution and maintenance of such Licensed Patent Right or Joint Foreground Patent Rights; *provided* that if Climb's decision to allow any Licensed Patent Right or Joint Foreground Patent Right to lapse or become abandoned in any country is made to avoid estoppel or double-patenting or similar rejections, or to avoid adverse effects to the scope of claims for Patent Rights in other jurisdictions, then Mabworks may not assume the prosecution and maintenance of such Licensed Patent Right or Joint Foreground Patent Right without Climb's prior

written consent. Mabworks' prosecution or maintenance of any such Licensed Patent Right or Joint Foreground Patent Rights will not change the Parties' respective rights and obligations under this Agreement with respect to such Licensed Patent Right other than those expressly set forth in this Section 9.2.1 (Climb First Right).

9.2.2 **Cooperation**. Each Party will provide the other Party all reasonable assistance and cooperation in the Patent Right prosecution efforts under this Section 9.2 (Patent Right Prosecution), including providing any necessary powers of attorney and executing any other required documents or instruments for such prosecution and coordinating the timing and content of filings to avoid estoppel or double-patenting or similar rejections, or to avoid adverse effects on the scope of claims for Patent Rights in the other Party's territory.

9.2.3 **Existing PCT Application**. Notwithstanding anything to the contrary in this Article 9 (Intellectual Property), the Parties agree that Climb will have the right to take over the prosecution of the Existing PCT Application as of the Effective Date including with respect to nationalizing such application and prosecuting patent applications before national (or regional) patent offices claiming priority from such Existing PCT Application, in each case, in the ROW Territory; *provided* that, (a) if within [**] of the Effective Date, and following review and discussion at the JSC, Climb notifies Mabworks in writing that it will not initiate or will no longer pursue the prosecution of national (or regional) patent applications claiming priority from such Existing PCT Application in any jurisdiction within the ROW Territory or (b) Climb has not submitted patent application filings by [**] in any jurisdiction where such filings are able to be made and are needed to initiate or continue prosecution of national (or regional) patent applications claiming priority from such Existing PCT Application in such jurisdiction, then Mabworks will have the right to initiate or continue national (or regional) patent applications claiming priority from such Existing PCT Application in such jurisdiction at its sole cost and expense. Climb will notify Mabworks through the JSC of its prosecution and maintenance progress relating to the Existing PCT Application in the ROW Territory by [**]

**9.3. Patent Enforcement**.

9.3.1 **Notice**. Each Party will promptly notify the other Party if it becomes aware of any alleged or threatened infringement by a Third Party of any of the Licensed Patent Rights and any allegations, declaratory judgment, opposition, or similar action or written notices alleging the invalidity, unenforceability or non-infringement of any of the Licensed Patent Rights.

9.3.2 **Product Infringement**. As between the Parties, Climb will have the first right (but not the obligation) to bring and control any legal action in connection with the infringement of any Licensed Patent Right against any actual or suspected infringement by a Third Party product that is or may be competitive to a Licensed Product in the Field, including any filings for Regulatory Approval by any Biosimilar Product, or the defense of any action or proceeding with respect thereto brought by such Third Party (each a "**Product Infringement**"), at its own expense as it reasonably determines appropriate. Mabworks will join, and hereby agrees to be joined, as a party to the action if required by Applicable Law to pursue such action or to seek additional or alternative damages or injunctive relief against such Product Infringement. Climb will not enter into any settlement of any claim described in this Section 9.3.2 (Product Infringement) that

admits to the invalidity of any Licensed Patent Right, without Mabworks' prior written consent, such consent not to be unreasonably withheld, delayed, or conditioned.

9.3.3 **Step-In Rights**. With respect to any Product Infringement, and subject to the other provisions of this Section 9.3 (Patent Right Enforcement), if (a) Climb does not, within [**] following written request from Mabworks to remove or abate a Product Infringement, commence taking commercially appropriate steps to remove any infringement of the applicable Licensed Patent Right that is likely to have a material adverse effect on the sale of Licensed Products, and (b) Climb has not granted the infringing Third Party rights and licenses to continue the activities, then, unless Climb provides notice that it has *bona fide* strategic reasons for not enforcing such Licensed Patent Right, Mabworks will have the right, following written notification to the Climb, to take actions to cause such infringement to cease at Mabworks' expense in a manner consistent with the terms and provisions hereof (but, for clarity, will not have the right to grant licenses without the written consent of Climb). However, if Climb has commenced a litigation against or negotiations with an alleged infringer for discontinuance of such infringement within such [**] period, then Mabworks may not bring suit for such infringement so long as Climb or its Affiliate continues to conduct such litigation using reasonable efforts or is in negotiations with respect thereto. Notwithstanding the foregoing, prior to enforcing any Licensed Patent Right, Mabworks will consult with Climb and consider in good faith (and if reasonable adhere to) Climb's views with respect to the appropriate response to the Product Infringement, including any view that refraining from enforcing such Licensed Patent Rights would be more beneficial to the commercial success of the Licensed Products than enforcing such Licensed Patent Rights or that the potential costs and risks with respect to enforcing the Licensed Patent Rights outweighs the potential benefits from enforcing the Licensed Patent Rights. Mabworks will obtain the written consent of the Climb prior to entering into any complete and final settlement or other voluntary disposition of such action, or otherwise compromising such action in its entirety, such consent not to be unreasonably withheld, delayed, or conditioned.

9.3.4 **Cooperation**. At the request and expense of the Party controlling any legal action brought pursuant to this Section 9.3 (Patent Right Enforcement), the non-controlling Party will provide reasonable assistance in connection therewith, including by executing reasonably appropriate documents and cooperating in discovery as required by Applicable Law. In connection with any such action, the controlling Party will keep the non-controlling Party reasonably informed on the status of such action and will not enter into any settlement that gives rise to liability of the non-controlling Party, or otherwise impairs the non-controlling Party's rights in the Licensed Patent Rights, without the prior written consent of the non-controlling Party. The non-controlling Party will be entitled to separate representation in such legal action by counsel of its own choice and at its own expense.

9.3.5 **Allocation of Recoveries**. Limited to the ROW Territory, if Climb is the enforcing Party and recovers monetary damages from any Third Party in a suit pursuant to this Section 9.3 (Patent Enforcement) or any royalties from a license agreement with a Third Party related to any alleged Product Infringement, then such recovery will be allocated first to the reimbursement of any expenses incurred by each Party in such litigation, action, or license, and any remaining amounts will be retained by Climb, *provided* that any remaining funds where the damages are attributable to recovery against such Product Infringement will be treated as Net Sales of the applicable Licensed Product.

**9.4. Infringement of Third Party Rights**.

9.4.1 **Notice**. If any Licensed Compound or Licensed Product used or sold by a Party or its Affiliates or Sublicensees or licensees becomes the subject of a Third Party Infringement Claim, then the Party becoming aware of such Third Party Infringement Claim will promptly notify the other Party in writing, including a copy of any summons or complaint (or the equivalent thereof) received regarding the foregoing. The Parties will assert and not waive the joint defense privilege with respect to any communications between the Parties in connection with the defense of such Third Party Infringement Claim.

9.4.2 **Defense by Climb**. As between the Parties, Climb will have the sole right, but not the obligation, to defend any Third Party Infringement Claim in the Field with respect to the activities of Climb or its Affiliates or Sublicensees; *provided* that Climb will not agree to any settlement, consent to judgment, or other voluntary final disposition in connection with such defense action without Mabworks' consent (such consent not to be unreasonably withheld, conditioned, or delayed) if such settlement, consent to judgment, or other voluntary final disposition would diminish the rights or interests of Mabworks under this Agreement.

9.4.3 **Defense by Mabworks**. As between the Parties, Mabworks will have the sole right, but not the obligation, to defend any Third Party Infringement Claim in the Field with respect to the activities of Mabworks or its Affiliates or licensees; *provided* that Mabworks will not agree to any settlement, consent to judgment, or other voluntary final disposition in connection with such defense action without Climb's consent (such consent not to be unreasonably withheld, conditioned, or delayed) if such settlement, consent to judgment, or other voluntary final disposition would diminish the rights or interests of Climb under this Agreement, including by a grant of a license with respect to the ROW Territory that would violate the exclusivity of the license grants in Section 2.1.1 (Exclusive Grant in the ROW Territory).

**9.5. Purple Book Listing**. Climb and Mabworks will discuss in good faith the Licensed Patent Rights that will be included in the Purple Book maintained by the FDA or similar or equivalent patent listing or linking source, if any, in other countries for Licensed Products, and, after considering Mabworks' comments in good faith, Climb will have the sole right to determine which Patent Rights will be included. Mabworks will provide such assistance as may be reasonably requested by Climb in connection with such listing.

**9.6. Trademarks**.

9.6.1 **Global Trademarks.** The Parties shall discuss in good faith the use of any global trademarks, other than Company Marks, to be used in connection with the Commercialization of any Licensed Product throughout the world (including any corresponding Chinese language versions thereof, the "**Global Trademarks**"). Climb shall own all rights in the Global Trademarks developed by it and shall have the sole right (but not the obligation) to register, maintain and enforce the Global Trademarks in any country in the world as it determines appropriate, at Climb's own cost and expense, and Mabworks shall own all rights in the Global Trademarks developed by it and shall have the sole right (but not the obligation) to register, maintain and enforce the Global Trademarks in any country in the world as it determines appropriate, at Mabworks' own cost and expense. Each Party will have the right, but not the obligation, to market and

sell the Licensed Products in such Party's Territory under the other Party's Global Trademark, *provided* that, if a Party decides, in its sole discretion, to use the other Party's Global Trademarks, the Parties shall negotiate in good faith and enter into a trademark license agreement, pursuant to which the Party owning the Global Trademark would grant to the other Party a non-exclusive, sub-licensable license to use the Global Trademarks solely in connection with the Commercialization of the Licensed Product in the Field in such other Party's Territory during the Term of this Agreement.

9.6.2 **Other Product Marks.** Subject to Section 9.6.1 (Global Trademarks), (a) as between the Parties, Climb will have the sole right to use any Trademark it controls for Licensed Products in the ROW Territory at its sole discretion, and will have the sole right to determine, develop, prosecute, enforce, and defend one or more Product Mark(s) for use by Climb, its Affiliates and its and their Sublicensees in the ROW Territory to Commercialize Licensed Products in the Field in the ROW Territory, and (b) as between the Parties, Mabworks will have the sole right to use any Trademark it controls for Licensed Products in the China Territory at its sole discretion, and will have the sole right to determine, develop, prosecute, enforce, and defend one or more Product Mark(s) for use by Mabworks, its Affiliates and its and their sublicensees in the China Territory to Commercialize Licensed Products in the Field in the China Territory; *provided* that each Party will not, and will cause its Affiliates and its and their licensees and sublicensees not to, select or make any use of any Product Mark in its Territory that is confusingly similar to any Product Marks developed by the other Party for use in the other Party's Territory, except as set forth in Section 9.6.1 (Global Trademarks). Subject to Section 9.6.1 (Global Trademarks), as between the Parties, Climb will own all rights to Product Marks for any Licensed Product and all goodwill associated therewith, and the rights to any internet domain names incorporating the applicable Product Marks or any variation or part of such Product Marks used as its URL address or any part of such address, throughout the ROW Territory, and Mabworks will not, and will cause its Affiliates and (sub)licensees not to, attack, dispute or contest the validity of or ownership of any Product Mark anywhere in the ROW Territory or any registrations issued or issuing with respect thereto. Subject to Section 9.6.1 (Global Trademarks), as between the Parties, Mabworks will own all rights to Product Marks for any Licensed Product and all goodwill associated therewith, and the rights to any internet domain names incorporating the applicable Product Marks or any variation or part of such Product Marks used as its URL address or any part of such address, throughout the China Territory, and Climb will not, and will cause its Affiliates and (sub)licensees not to, attack, dispute or contest the validity of or ownership of any Product Mark anywhere in the China Territory or any registrations issued or issuing with respect thereto. Notwithstanding anything to the contrary in this Agreement, each Party agrees and acknowledges that this Agreement does not grant any rights for a Party to use the Company Marks of the other Party or its Affiliates, and each Party will not, and will cause its Affiliates and its and their licensees and sublicensees not to, select or make use of any Trademark that are confusingly similar to any Company Marks of the other Party or its Affiliates.

## ARTICLE 10
## CONFIDENTIALITY

**10.1.** **Confidentiality**. Except as otherwise expressly set forth herein, the Receiving Party will, during the Term and for a period of [**] thereafter, keep the Confidential Information of the Disclosing Party confidential using at least the same degree of care with which the Receiving Party holds its own

Confidential Information (but in no event less than a reasonable degree of care) and will not (a) disclose such Confidential Information to any Person without the prior written approval of the Disclosing Party, except, solely to the extent necessary to exercise its rights or perform its obligations under this Agreement, to its Affiliates, Sublicensees, Subcontractors, licensees, or contractors, and its and their employees, directors, consultants, advisors, or agents who have a need to know such Confidential Information, all of whom will be similarly bound by confidentiality, non-disclosure, and non-use provisions at least as restrictive or protective of the Parties as those set forth in this Agreement and for whom the Disclosing Party will be responsible, or (b) use such Confidential Information for any purpose other than for the purposes contemplated by this Agreement. The Receiving Party will cause the foregoing Persons to comply with the restrictions on use and disclosure set forth in this Section 10.1 (Confidentiality) and will be responsible for ensuring that such Persons maintain the Disclosing Party's Confidential Information in accordance with this Article 10 (Confidentiality). Each Party will promptly notify the other Party of any misuse or unauthorized disclosure of the other Party's Confidential Information.

**10.2.** **Confidential Information**. The existence and terms of this Agreement are the Confidential Information of each Party, and each Party will be deemed a Receiving Party with respect thereto. Unpublished patent applications within the Licensed Patent Rights, Know-How Covered by the Licensed Patent Rights, and all other Licensed Know-How are the Confidential Information of both Parties, regardless of which Party is the Disclosing Party. All information exchanged between the Parties regarding the prosecution, maintenance, defense, and enforcement of the Patent Rights under Article 9 (Intellectual Property) will be the Confidential Information of the prosecuting or enforcing Party, as applicable. All data, results, and reports relating to any Licensed Product (a) generated by Climb under this Agreement will be the Confidential Information of Climb and (b) generated by Mabworks under this Agreement will be the Confidential Information of Mabworks; *provided* that Mabworks will maintain such data, results, and reports described in the foregoing clause (b) and all Licensed Know-How in confidence and not disclose them to any Third Party for so long as they remain Confidential Information of Mabworks, except as permitted under Section 10.4 (Authorized Disclosures) or Section 10.5 (Publicity).

**10.3.** **Exceptions**. Information will not be Confidential Information, and the foregoing confidentiality and non-use obligations will not apply to any such information that the Receiving Party can demonstrate by competent written proof:

10.3.1 was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the other Party;

10.3.2 was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

10.3.3 became generally available to the public or otherwise part of the public domain after its disclosure other than through any act or omission of the Receiving Party in breach of this Agreement;

10.3.4 is subsequently disclosed to the Receiving Party by a Third Party who has a legal right to make such disclosure; or

10.3.5 is subsequently independently discovered or developed by the Receiving Party without the aid, application, or use of the Disclosing Party's Confidential Information, as evidenced by a contemporaneous writing.

**10.4.** **Authorized Disclosure**. Notwithstanding the obligations set forth in Section 10.1 (Confidentiality), a Party may disclose the other Party's Confidential Information (or to the extent constrained by Section 10.2 (Confidential Information), its own Confidential Information) and the terms of this Agreement to the extent:

10.4.1 to its Affiliates, Sublicensees, Subcontractors, licensees, or contactors, and their employees, directors, agents, consultants, or advisors to the extent necessary for the potential or actual performance of its obligations or exercise of its rights under this Agreement, in each case, who are under an obligation of confidentiality with respect to such information that is no less stringent than the terms and conditions of this Article 10 (Confidentiality);

10.4.2 such disclosure is reasonably necessary: (a) to perform an obligation or exercise a right under the Agreement; (b) for the filing or prosecution of Patent Rights as contemplated by this Agreement; (c) in connection with regulatory filings for the Licensed Products; or (d) for the prosecuting or defending litigation as contemplated by this Agreement;

10.4.3 such disclosure is reasonably necessary: (a) to such Party's directors, attorneys, independent accountants or financial advisors for the sole purpose of enabling such directors, attorneys, independent accountants, or financial advisors to provide advice to the Receiving Party, *provided* that in each such case on the condition that such directors, attorneys, independent accountants, and financial advisors are bound by confidentiality and non-use obligations consistent with those contained in this Agreement; or (b) to actual or potential investors, acquirors, Mabworks, sublicensees, collaborators, or other business or financial partners (including royalty financing partners) solely for the purpose of evaluating or carrying out an actual or potential investment, acquisition, license, collaboration, financing, or other business transaction; *provided* that in each such case on the condition that such recipients are bound by confidentiality and non-use obligations consistent with those contained in the Agreement; or

10.4.4 such disclosure is required by judicial or administrative process, *provided* that in such event such Party will promptly inform the other Party of such required disclosure and provide the other Party an opportunity to challenge or limit the disclosure obligations. Confidential Information that is disclosed by judicial or administrative process will remain otherwise subject to the confidentiality and non-use provisions of this Article 10 (Confidentiality), and the Party disclosing Confidential Information pursuant to law or court order will take all steps reasonably necessary, including seeking of confidential treatment or a protective order, to ensure the continued confidential treatment of such Confidential Information.

**10.5.** **Publicity**.

10.5.1 **Publications**. The Parties recognize the desirability of publishing and publicly disclosing the results of and information regarding, activities under this Agreement. Accordingly, the Parties shall develop a publication plan governing proposed publications and scientific presentations relating to the Licensed Compounds and Licensed Products (the "**Publication Plan**"), which Publication Plan shall be reviewed and agreed by the JSC and updated from time to time by mutual agreement of the Parties through the JSC. Subject to the Publication Plan, each Party shall be free to make publications and scientific presentations related to the Licensed Compounds and Licensed Products; *provided* that (a) such Party shall provide a draft of such publication

or presentation to the other Party for review prior to making such publication or presentation, and consider in good faith any reasonable comments of the other Party to such draft, (b) such Party shall remove any Confidential Information of the other Party within such publication or presentation if requested by the other Party, (c) such Party shall in good faith consider removing any Licensed Know-How or Foreground Know-How which constitutes its own Confidential Information within such publication or presentation if requested by the other Party, recognizing the applicability of the provisions in Section 10.2 (Confidential Information), and (d) any publication or presentation to be made by such Party that names the other Party (other than naming the other Party as a licensee or licensor, as applicable) will require the prior consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed). Each Party will keep the JSC informed of its general publication strategy and presentation calendar for the Licensed Compounds and Licensed Products, and the Parties shall use Commercially Reasonable Efforts to ensure that the publications and presentations are consistent with the then current Publication Plan.

10.5.2 **Press Release**. Following execution of the Original Agreement, Climb issued a press release announcing this Agreement after the Original Agreement Effective Date substantially in the form attached hereto as **Schedule 10.5.2** (Press Release). Following the initial press release announcing this Agreement, either Party will be free to disclose or publicize, without the other Party's prior written consent, the existence of this Agreement, the identity of the other Party, the terms of this Agreement, in each case to the extent previously disclosed in the initial press release. The Parties shall coordinate in good faith with respect to any subsequent press releases and other public disclosures relating to this Agreement, the Licensed Compounds, or the Licensed Products, including disclosures required by applicable law, stock exchange rules, or regulatory requirements (including postings or updates on ClinicalTrials.gov or similar clinical trial registries). Each Party shall provide the other Party with a reasonable opportunity to review and comment on any such proposed disclosure in advance of publication, and the disclosing Party shall consider in good faith any reasonable comments provided by the other Party; provided that such coordination shall not prevent a Party from making any disclosure required by applicable law or regulation, so long as such Party uses reasonable efforts to notify the other Party in advance of such disclosure.

10.5.3 Except to the extent expressly permitted in this Section 10.5 (Publicity), no disclosure of the terms of this Agreement may be made by either Party, and no Party will use the name or any Trademark of the other Party, its Affiliates or their respective employee(s) in any publicity, promotion, news release or disclosure relating to this Agreement or its subject matter, without the prior express written permission of the other Party.

**10.6. Certain Disclosures**. Notwithstanding anything else herein (including Section 10.5.2 (Press Release)), a Party may make any public disclosure, including filings with the Securities Exchange Commission (or equivalent foreign agency) ("**SEC**") it believes in good faith is required by Applicable Law or rule of any applicable stock market or securities exchange (in which case the disclosing party shall use commercially reasonable efforts to advise the other party and provide them with a copy of the proposed disclosure prior to making the disclosure). In the event, a Party seeking such disclosure intends to publicly file a copy of this Agreement or otherwise disclose material terms of this Agreement not included in the Press Release, it will (a) in the case of filing the agreement, prepare a draft confidential treatment request and proposed redacted version of this Agreement to request confidential treatment for this Agreement, or (b) in the case of any other disclosure of material terms of this Agreement, prepare a draft of the disclosure, and, in each case

((a) and (b)) provide such documents to the other Party reasonably in advance of any such disclosure to provide sufficient time for the other Party to review and comment on such documents in accordance with this Section 10.6 (Certain Disclosures). If any such proposed disclosure or related documents provided by a disclosing Party is not in the English language, such disclosing Party shall also provide (at the same time as providing the non-English version) an English translation of the proposed disclosure or related documents to the other Party for their review and comment. The other Party agrees to promptly (and in any event, with respect to any disclosures that Climb must make promptly after the Effective Date, no less than [**] after receipt of such draft documents, and for other disclosures to be made by the Parties, no less than [**] after receipt of such draft documents) give its input in a reasonable manner in order to allow the Party seeking disclosure to file its request within the timelines proscribed by applicable SEC regulations. The disclosing Party will reasonably consider the other Party's comments in good faith; *provided* that the Parties acknowledge and agree that the disclosing Party will have the right to make any disclosures it reasonably believes are necessary for it to comply with Applicable Law. The Party seeking such disclosure will exercise reasonable efforts to obtain confidential treatment of this Agreement from the SEC as represented by the redacted version reviewed by the other Party.

**10.7.** **Prior CDA**. This Agreement supersedes the Mutual Confidential Disclosure Agreement between Mabworks and Climb effective as of [**] (the "**Prior CDA**") with respect to information disclosed thereunder. All information exchanged between Mabworks and Climb under the Prior CDA will be deemed Confidential Information of the Disclosing Party and will be subject to the terms of this Article 10 (Confidentiality).

**10.8.** **Equitable Relief**. Each Party acknowledges that a breach of this Article 10 (Confidentiality) cannot reasonably or adequately be compensated in damages in an action at law and that such a breach will cause the other Party irreparable injury and damage. By reason thereof, each Party agrees that the other Party will be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to preliminary and permanent injunctive and other equitable relief to prevent or curtail any breach of the obligations relating to Confidential Information set forth herein.

**10.9.** **Attorney-Client Privilege**. Neither Party is waiving, nor will be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges or the like as a result of disclosing information pursuant to this Agreement, or any of its Confidential Information (including Confidential Information related to pending or threatened litigation) to the other Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties: (a) share a common legal and commercial interest in such disclosure that is subject to such privileges and protections; (b) are or may become joint defendants in proceedings to which the information covered by such protections and privileges relates; (c) intend that such privileges and protections remain intact should either Party become subject to any actual or threatened proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (d) intend that after the Effective Date both the Receiving Party and the Disclosing Party will have the right to assert such protections and privileges.

**10.10.** **Residual Knowledge**. Notwithstanding any provision to the contrary set forth in this Agreement, neither Party will be liable for the use of any knowledge, technique, experience, or Know-How that is retained in the unaided memory of any officers, directors, agents, contractors, or employees of such Party after having access to such Confidential Information of the other Party ("**Residual Knowledge**"), *provided* that such officer, director, agent, contractor, or employee (a) has not intentionally memorized such Residual Knowledge, and (b) has not been directed or encouraged by such Party to memorize such Residual Knowledge. Any use made by a Party of any such

Residual Knowledge is on an "as is, where is" basis, with all faults and all representations and warranties disclaimed and at its sole risk.

## ARTICLE 11
## REPRESENTATIONS AND WARRANTIES

**11.1. Representations and Warranties of Each Party**. Each Party represents, warrants, and covenants (as applicable) to the other Party as of the Effective Date that:

11.1.1 it is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated, and has full corporate power and authority and the legal right to own and operate its property and assets and to carry on its business as it is now being conducted and as contemplated in this Agreement;

11.1.2 it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder, it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder, and this Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid, and binding obligation of such Party that is enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditors' rights and remedies generally;

11.1.3 the execution, delivery, and performance of this Agreement by such Party does not require any authorization, consent, approval, license, exemption of or filing or registration with any Third Party (including any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign) or under any Applicable Law currently in effect, and none of the foregoing is or will be necessary for, or in connection with, the transaction contemplated by this Agreement or any other agreement or instrument executed in connection herewith, or for the performance by it of its obligations under this Agreement and such other agreements except as may be required to obtain clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (15 U.S.C. Sec. 18a), and the rules and regulations promulgated thereunder, or equivalent rules and regulations under Applicable Law in other countries, to conduct Clinical Trials or to seek or obtain Regulatory Approvals;

11.1.4 it is not a party to, and will not enter into during the Term, any agreement that would prevent it from granting the rights granted to the other Party under this Agreement or performing its obligations under the Agreement; and

11.1.5 it has not, directly or indirectly, offered, promised, paid, authorized, or given, and each Party agrees that it will not, in the future, offer, promise, pay, authorize, or give any money or anything of value, directly or indirectly, to any Government Official (as defined below) or Other Covered Party (as defined below) for the purpose, pertaining to this Agreement, of: (i) influencing any act or decision of such Government Official or Other Covered Party; (ii) inducing such Government Official or Other Covered Party to perform or omit to perform an act in violation of its lawful duty; (iii) securing any improper advantage; or (iv) inducing such Government Official or Other Covered Party to influence the act or decision of a Governmental Authority, in order to obtain or retain business, or direct business to any person or entity, in any way related to this Agreement.

**11.2. Representations and Warranties of Mabworks**. Except as set forth in the **Schedule 11.2** (Disclosure Schedule of Mabworks), Mabworks represents and warrants to Climb as of the Effective Date, and covenants to Climb during the Term (as applicable) that:

11.2.1 except for any Patent Rights or Know-How in-licensed by Mabworks or its Affiliates under the Upstream In-Licenses, it exclusively owns the Licensed Technology and has the rights to grant the licenses to Climb as purported to be granted under Section 2.1 (License Grants) of this Agreement;

11.2.2 to its knowledge, the Licensed Technology includes all Know-How and Patent Rights necessary to Exploit the Licensed Compound and Licensed Products in the Field in the ROW Territory;

11.2.3 its rights, title, and interests in and to all of the Licensed Technology are free of any lien, charge, encumbrance, or security interest that could reasonably be expected to conflict with or limit the scope of or have a material adverse impact on any of the rights or licenses granted to Climb hereunder;

11.2.4 it has not previously assigned, transferred, conveyed, or granted any license or other rights under the Licensed Technology that would conflict with or limit the scope of any of the rights or licenses granted to Climb hereunder;

11.2.5 its equity control relationships have been disclosed in **Schedule 11.2** (Disclosure Schedule of Mabworks);

11.2.6 (a) **Schedule 1.92** (Licensed Patent Rights as of the Execution Date) sets forth a complete and accurate list of all Licensed Patent Rights and the owner of each Licensed Patent Right; (b) Mabworks or its Affiliates Controls all Licensed Patent Rights on **Schedule 1.92** (Licensed Patent Rights as of the Execution Date); and (c) neither Mabworks nor any of its Affiliates holds any rights to or owns any Patent Right that would be Licensed Patent Rights but for Mabworks or such Affiliate not Controlling such Patent Right;

11.2.7 the Licensed Technology includes all Know-How and Patent Rights that are being used by Mabworks and its Affiliates in the Exploitation of the Licensed Compounds and Licensed Products in the China Territory and the ROW Territory as of the Effective Date;

11.2.8 all Licensed Patent Rights owned by Mabworks and, to its knowledge, all Licensed Patent Rights licensed to Mabworks (a) are being diligently prosecuted or maintained in the respective patent offices in accordance, in all material respects, with Applicable Law and (b) have been filed and maintained in accordance, in all material respects, with all Applicable Law and all applicable fees required to be paid by Mabworks in order to prosecute or maintain the Licensed Patent Rights have been timely paid;

11.2.9 (a) neither Mabworks nor any of its Affiliates has received written notice of (i) any claim, judgment, or settlement against or owed by Mabworks with respect to the Licensed Technology, or (ii) any pending reissue, reexamination, *inter partes* review, interference, opposition, litigation, or other proceeding, in each case ((i) and (ii)), seeking to invalidate or otherwise challenge the ownership, scope, duration, validity, enforceability, priority, or right to use any Licensed Technology, and (b) neither

Mabworks nor any of its Affiliates has received written notice of (i) any threatened claim or litigation or (ii) any reissue, reexamination, *inter partes* review, interference, opposition, litigation, or other proceeding, in each case ((i) and (ii)), seeking to invalidate or otherwise challenge the ownership, scope, duration, validity, enforceability, priority, or right to use any Licensed Technology;

11.2.10 to its knowledge, there is no information, facts or circumstances that would reasonably be expected to result in a successful challenge to the enforceability or validity of any issued Patent Right or, if not issued, any pending Patent Right application, within the Licensed Patent Rights;

11.2.11 it has used commercially reasonable measures to protect the secrecy, confidentiality and value of the non-public information within the Licensed Know-How and, to its knowledge, no event has occurred which has resulted in the unauthorized use or disclosure of any Licensed Know-How or which otherwise resulted in any non-public Licensed Know-How falling into the public domain;

11.2.12 there is no pending or, to its knowledge, threatened (in writing), adverse actions, claims, suits, allegations or proceedings against Mabworks or any of its Affiliates involving the Licensed Technology, Licensed Compound or Licensed Product, and there is no judgment or settlement against or owed by Mabworks or its Affiliate related to any of the foregoing;

11.2.13 to its knowledge, no Third Party has infringed upon, misappropriated, or otherwise violated Mabworks' rights in the Licensed Technology;

11.2.14 it has not received any written notice from any Third Party (a) asserting or alleging that the Development of the Licensed Compounds or Licensed Product infringed or misappropriated the intellectual property rights of such Third Party or (b) otherwise challenging the rights of Mabworks to use or license any of the Licensed Technology or any Licensed Compound or Licensed Product;

11.2.15 (a) it has disclosed to Climb in writing the technical information and patent search analysis within its possession, without any intentional concealment or deception, and (b) to its knowledge, there are no facts existing as of the Effective Date which would form a reasonable basis for any claim of infringement, misappropriation, or other violation of any intellectual property rights of any Third Party existing as of the Effective Date by the Development, Manufacture, or Commercialization of any Licensed Compounds or Licensed Products;

11.2.16 it holds all approvals, permits, licenses, franchises, authorizations, and clearances issued by any Regulatory Authority that are required in connection with the Development and Manufacture conducted as of the Effective Date by Mabworks or its Affiliates of the Licensed Compounds and Licensed Products;

11.2.17 neither it nor any of its Affiliates has received any warning letters or written correspondence from the NMPA or any other Regulatory Authority requiring the termination, suspension, or material modification of any clinical or pre-clinical studies or tests with respect to the Licensed Compound or Licensed Product;

11.2.18 there is no pending or, to its knowledge, threatened (in writing), adverse actions, claims, suits or proceedings against Mabworks or any of its Affiliate that involve any antitrust, anti-competition, anti-bribery or corruption violations or that may reasonably be expected to adversely affect Mabworks' ability to perform its obligations under this Agreement;

11.2.19 it has not initiated a voluntary proceeding under any applicable Bankruptcy Code, and to Mabworks' knowledge, there is no involuntary proceeding under any applicable Bankruptcy Code pending against Mabworks as of the Effective Date;

11.2.20 (a) to its knowledge, there are no scientific or technical facts or circumstances with respect to the Licensed Compounds or Licensed Products that have not been disclosed to Climb, and that would materially adversely affect the scientific, therapeutic, or commercial potential of the Licensed Compounds or Licensed Products; (b) to Mabworks' knowledge, there are no Patent Rights, Regulatory Approvals, Regulatory Materials, Know-How, materials, or other intellectual property rights within Mabworks' possession or Control that have not been disclosed to Climb (other than materials that are will be disclosed to Climb following the Effective Date in accordance with the technology transfer provisions of this Agreement) and that would materially adversely affect the acceptance, or the subsequent approval, by any Regulatory Authority of any Licensed Compounds or Licensed Products; and (c) to its knowledge, there are no safety, efficacy, or regulatory issues that would preclude Climb or Mabworks from Exploiting a Licensed Compounds or Licensed Product in the ROW Territory in compliance with Applicable Law;

11.2.21 it has provided Climb with the opportunity to review all written material Know-How in Mabworks' possession relating to the subject matter of this Agreement, and has not intentionally concealed from Climb any such material Know-How;

11.2.22 no government or governmental agency holds or retains any rights to the Licensed Technology;

11.2.23 except for the Upstream In-Licenses, there is no agreement between Mabworks or any of its Affiliates and any Third Party pursuant to which Mabworks or its Affiliate has acquired Control of any of the Licensed Technology. The Upstream In-Licenses are in full force and effect and have not been modified or amended except as set forth in the **Schedule 1.173** (Upstream In-Licenses). Mabworks has provided to Climb true and complete copies of the Upstream In-Licenses, including any amendments thereto. Neither Mabworks nor its Affiliates, nor, to its knowledge, any Third Party that is a party to an Upstream In-License is in material breach of, or in default with respect to a material obligation under such Upstream In-License, and none of such parties has claimed or, to its knowledge, has grounds upon which to claim, that the other parties is in material breach of, or in default with respect to a material obligation under the Upstream In-Licenses;

11.2.24 this Agreement constitutes a valid sublicense under the rights licensed to Mabworks and its Affiliates under the Upstream In-Licenses;

11.2.25 Beijing Mabridge Biopharmaceutical Co., Ltd is a majority-owned subsidiary of Mabworks;

11.2.26 the Licensed Technology includes the all of the Mabridge Technology, and this Agreement grants Climb the right to practice the Mabridge Technology in accordance with Section 2.1 (License Grants), including the right to sublicense the rights to Mabridge Technology through multiple tiers in accordance with Section 2.2 (Right to Sublicense and Subcontract); and

11.2.27 it owns all Licensed Technology other than the Mabridge Technology or any Patent Rights or Know-How in-licensed under an Upstream In-License.

**11.3. Covenants of Mabworks**.

11.3.1 Mabworks will comply with all Applicable Law in the course of performing its obligations or exercising its rights under this Agreement, including, as applicable, cGMP, GCP, and applicable export control laws, restrictions and regulations, and will not employ or engage any person or entity who has been debarred by any Governmental Authority, or, to its knowledge, is the subject of debarment proceedings by a Governmental Authority.

11.3.2 Neither Mabworks nor any of its Affiliates will assign, transfer, convey or grant during the Term any license or other rights under the Licensed Technology that would conflict with or limit the scope of any of the rights or licenses granted to the Climb hereunder. For the avoidance of doubt, this Section 11.3.1 (Covenants of Mabworks) shall not restrict Mabworks from transferring its rights in the Licensed Technology to an assignee of this Agreement in compliance with Section 15.2 (Assignment; Change of Control).

11.3.3 Mabworks and their Affiliates will maintain and not breach the Upstream In-Licenses.

11.3.4 Mabworks will promptly notify Climb in writing of any material breach of the Upstream In-Licenses, and will promptly notify Climb in writing if Mabworks or its Affiliate sends or receives a notice of material breach of the Upstream In-Licenses. In the event of a breach by Mabworks or its Affiliate of the Upstream In-Licenses that Mabworks or its Affiliate fails to cure in a timely manner, upon Climb's request, Mabworks and its Affiliates will permit Climb to cure such breach on Mabworks' or its Affiliate's behalf prior to the expiration of any applicable cure period and Mabworks will reimburse Climb with respect to any related costs to cure such breach.

11.3.5 Mabworks will not, and will cause its Affiliates not to, amend, modify or terminate any Upstream In-License in a manner that would adversely affect Climb's rights hereunder without first obtaining Climb's prior written consent, which consent may be withheld in Climb's sole discretion.

11.3.6 Promptly following Climb's request to (a) provide any notice to a Third Party under an Upstream in-License, (b) seek a Third Party's consent or waiver with respect to any activity that requires such consent or waiver under an Upstream In-License, (c) amend the terms of any Upstream In-License, or (d) reasonably assist Climb or its Affiliates or Sublicensees to enter into a direct license with a Third Party that is a party to any Upstream In-License, Mabworks and their Affiliates will cooperate with Climb to give effect to the applicable request and will execute, acknowledge and deliver such further instruments and take such further actions as necessary or appropriate in order to carry out such request.

**11.4.** **Covenants of Each Party.** Each Party agrees that it will not offer, promise, pay, authorize, or give any money or anything of value, directly or indirectly, to any Government Official (as defined below) or Other Covered Party (as defined below) for the purpose, pertaining to this Agreement, of: (i) influencing any act or decision of such Government Official or Other Covered Party; (ii) inducing such Government Official or Other Covered Party to perform or omit to perform an act in violation of its lawful duty; (iii) securing any improper advantage; or (iv) inducing such Government Official or Other Covered Party to influence the act or decision of a Governmental Authority, in order to obtain or retain business, or direct business to any person or entity, in any way related to this Agreement.

**11.5.** **NO OTHER WARRANTIES**. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ARE MADE OR GIVEN BY OR ON BEHALF OF A PARTY. ALL REPRESENTATIONS AND WARRANTIES, WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE, ARE HEREBY EXPRESSLY EXCLUDED. FURTHERMORE, EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, MABWORKS HEREBY EXPRESSLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES OF VALIDITY AND ENFORCEABILITY OF ANY INTELLECTUAL PROPERTY RIGHTS, NON-INFRINGEMENT OF THE INTELLECTUAL PROPERTY OF THIRD PARTIES, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, OR THE PROSPECTS OR LIKELIHOOD OF COMMERCIAL SUCCESS OF THE LICENSED PRODUCT OR OTHERWISE IN CONNECTION WITH THIS AGREEMENT.

## ARTICLE 12
## INDEMNIFICATION

**12.1.** **Indemnification by Climb**. Climb will indemnify and hold harmless Mabworks, its Affiliates, and their directors, officers, employees, and agents (individually and collectively, the "**Mabworks Indemnitee(s)**") from and against all losses, liabilities, damages, and expenses (including reasonable attorneys' fees and costs) (individually and collectively, "**Losses**") incurred in connection with any claims, demands, actions or other proceedings by any Third Party ("**Claims**") to the extent arising from:

12.1.1 any breach of, or inaccuracy in, any representation or warranty made by Climb in this Agreement, or any breach or violation of any covenant of Climb in this Agreement;

12.1.2 the Development, Manufacture, and Commercialization of the Licensed Products in the ROW Territory by Climb or any of its Affiliates or Sublicensees; or

12.1.3 the negligence, willful misconduct, or fraud by any Climb Indemnitee; except, in each case of Section 12.1.1 (Indemnification by Climb) through Section 12.1.3 (Indemnification by Climb), to the extent such Losses arise from any action for which Mabworks has an indemnification obligation to a Climb Indemnitee under Section 12.2 (Indemnification by Mabworks).

**12.2.** **Indemnification by Mabworks**. Mabworks will indemnify and hold harmless Climb, its Affiliates, and their directors, officers, employees, and agents (individually and collectively, the "**Climb Indemnitee(s)**") from and against all Losses incurred in connection with any Claims to the extent arising from:

12.2.1 any breach of, or inaccuracy in, any representation or warranty made by Mabworks in this Agreement, or any breach or violation of any covenant of Mabworks in this Agreement;

12.2.2 the Development, Manufacture, and Commercialization of the Licensed Compounds or Licensed Products (a) anywhere in the world prior to the Effective Date, or (b) in the China Territory, in each case, by Mabworks or any of its Affiliates, licensees, sublicensees or contractors;

12.2.3 the Development, Manufacture, and Commercialization of the Terminated Compounds or Terminated Products in the Terminated Countries by Mabworks or any of its Affiliates, licensees, sublicensees or contractors;

12.2.4 the negligence, willful misconduct, or fraud by any Mabworks Indemnitee; or

12.2.5 any action, notification, imposition, assertion or other claim by any Tax Authority that Taxes are payable by Climb to a Tax Authority as a result of a legal obligation to withhold or deduct Taxes from any payments to Mabworks under this Agreement to the extent such Taxes had not been withheld or deducted by Climb from the payments under Section 8.7.2 (Withholding) or otherwise; except, in each case of Section 12.2.1 (Indemnification by Mabworks) through Section 12.2.5 (Indemnification by Mabworks), to the extent such Losses arise from any action for which Climb has an indemnification obligation to a Mabworks Indemnitee under Section 12.1 (Indemnification by Climb).

**12.3. Indemnification Procedure**.

12.3.1 If either Party is seeking indemnification under Section 12.1 (Indemnification by Climb) or Section 12.2 (Indemnification by Mabworks) (the "**Indemnified Party**"), it will inform the other Party (the "**Indemnifying Party**") of the Claim giving rise to the obligation to indemnify pursuant to such Section within [**] after receiving notice of the Claim (it being understood and agreed, however, that the failure or delay by an Indemnified Party to give such notice of a Claim will not affect the indemnification provided hereunder except to the extent the Indemnifying Party will have been prejudiced as a result of such failure or delay to give notice). Subject to Section 9.3 (Patent Enforcement) and Section 9.4 (Infringement of Third Party Rights), the Indemnifying Party will have the right to assume the defense of any such Claim for which it is obligated to indemnify the Indemnified Party. The Indemnified Party will cooperate with the Indemnifying Party and the Indemnifying Party's insurer as the Indemnifying Party may reasonably request, and at the Indemnifying Party's cost and expense. The Indemnified Party will have the right to participate, at its own expense and with counsel of its choice, in the defense of any Claim that has been assumed by the Indemnifying Party. Neither Party will have the obligation to indemnify the other Party in connection with any settlement made without the Indemnifying Party's written consent, which consent will not be unreasonably withheld or delayed. If the Parties cannot agree as to the application of Section 12.1 (Indemnification by Climb) or Section 12.2 (Indemnification by Mabworks) as to any Claim, pending resolution of the dispute pursuant to Article 14 (Dispute Resolution), then the Parties may conduct separate defenses of such Claim, with each Party retaining the right to claim indemnification from the other Party in accordance with Section 12.1 (Indemnification by Climb) or Section 12.2 (Indemnification by Mabworks) upon resolution of the underlying Claim.

12.3.2 With respect to any indemnity claim pursuant to Section 12.2.5 (Indemnification by Mabworks), Climb shall provide written evidence of the amount of Taxes sought by the Taxing Authority, and Climb is entitled, in its sole discretion, to choose (a) to claim for reimbursement of such amount from Mabworks, which Mabworks shall promptly reimburse, or (b) to set-off and apply against any and all amounts at any time owing to Mabworks under this Agreement, and the procedures described in Section 12.3.1 (Indemnification Procedure) will not apply.

**12.4.** **Mitigation of Loss**. Each Indemnified Party will take and will procure that its Affiliates take all such reasonable steps and action as are reasonably necessary or as the Indemnifying Party may reasonably require in order to mitigate any Claims (or potential losses or damages) under this Article 12 (Indemnification). Nothing in this Agreement will or will be deemed to relieve any Party of any common law or other duty to mitigate any losses incurred by it.

**12.5.** **Limitation of Liability**. NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING FROM OR RELATING TO ANY BREACH OF THIS AGREEMENT, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 12.5 (LIMITATION OF LIABILITY) IS INTENDED TO OR WILL LIMIT OR RESTRICT DAMAGES AVAILABLE FOR BREACH OF SECTIONS 2.6 (GRAY MARKET RESTRICTIONS), OR ARTICLE 10 (CONFIDENTIALITY), OR THE DAMAGES RESULTING FROM GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD, OR FRAUDULENT MISREPRESENTATION BY EITHER PARTY. FURTHER, THE PARTIES ACKNOWLEDGE AND AGREE THAT LOSSES PAID TO THIRD PARTIES ASSERTING A CLAIM PURSUANT TO SECTION 12.1 (INDEMNIFICATION BY CLIMB) OR SECTION 12.2 (INDEMNIFICATION BY MABWORKS) AND OUT OF POCKET COSTS AND EXPENSES INCURRED IN CONNECTION WITH SUCH CLAIMS WILL BE DEEMED TO BE DIRECT DAMAGES FOR THE PURPOSE OF THIS SECTION 12.5 (LIMITATION OF LIABILITY), AND DO NOT CONSTITUTE SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES LIMITED BY THIS SECTION 12.5 (LIMITATION OF LIABILITY).

**12.6.** **Insurance**. Each of the Parties will, at their own respective expense, procure and maintain during the Term insurance policies adequate to cover their obligations hereunder and consistent with the normal business practices of prudent pharmaceutical companies of similar size and scope, which in any event will meet or exceed the level of insurance required under Applicable Law. Each Party will provide the other Party with a certificate of such insurance upon request of the other Party. Such insurance will not be construed to create a limit of either Party's liability under this Agreement.

## ARTICLE 13
## TERM AND TERMINATION

**13.1.** **Term**. This Agreement is effective as of the Effective Date and, unless earlier terminated pursuant to this Article 13 (Term and Termination), will remain in effect until it expires (a) on a Licensed Product-by-Licensed Product and country-by-country basis, upon the expiration of the Royalty Term for such Licensed Product in such country and (b) in its entirety, upon the expiration of all Royalty Terms for all Licensed Products in all countries in the ROW Territory (the "**Term**").

**13.2.** **Termination**.

13.2.1 **Termination by Climb for Convenience**. Climb may terminate this Agreement in its entirety or on a Licensed Product-by-Licensed Product and country-by-country basis, at its sole discretion and for any or no reason at any time by providing 60 days' advance written notice of such termination to Mabworks.

13.2.2 **Termination for Material Breach**. Subject to Section 13.2.3 (Disputes Regarding Material Breach), either Party (the "**Non-Breaching Party**") may terminate this Agreement, on a country-by-country and Licensed Product-by-Licensed Product basis, if the other Party (the "**Breaching Party**") has materially breached this Agreement with respect to such Licensed Product in such country, and such material breach has not been cured within [**] after receipt of written notice of such breach by the Breaching Party from the Non-Breaching Party (such [**] period, the "**Cure Period**"). The written notice describing the alleged material breach will provide sufficient detail to put the Breaching Party on notice of such material breach. Any termination of this Agreement pursuant to this Section 13.2.2 (Termination for Material Breach) will become effective at the end of the Cure Period, unless the Breaching Party has cured any such material breach prior to the expiration of such Cure Period, or, if such material breach is not curable prior to the expiration of the applicable Cure Period, then such Cure Period will be extended so long as the Breaching Party has provided to the Non-Breaching Party a written plan that is reasonably calculated to effect a cure of such material breach, *provided* that, in no event will the Cure Period be extended to more than a total of [**] . For the avoidance of doubt, if the material breach by the Breaching Party described in the notice of such material breach pertains to one or more Licensed Products or one or more countries in the ROW Territory, then the Non-Breaching Party may terminate this Agreement solely with respect to the Licensed Product(s) to which such breach pertains is directed, or the applicable country(ies) to which such breach pertains.

13.2.3 **Disputes Regarding Material Breach**. If the Parties reasonably and in good faith disagree as to whether there has been a material breach, then the Breaching Party that disputes whether there has been a material breach may contest the allegation in accordance with Article 14 (Dispute Resolution), and the applicable Cure Period will toll upon the initiation of such dispute resolution procedures. If, as a result of such dispute resolution process, it is finally determined pursuant to Article 14 (Dispute Resolution) that the Breaching Party committed a material breach of this Agreement, then the applicable Cure Period will resume and unless such alleged breach is cured during the pendency of such Cure Period (once resumed), this Agreement will terminate effective as of the expiration of such Cure Period. This Agreement will remain in full force and effect during the pendency of any such dispute resolution proceeding and all Cure Periods. Any such dispute resolution proceeding will not suspend any obligations of either Party hereunder and each Party will use reasonable efforts to mitigate any damages. Any disputed payments that are made by one Party to the other Party pursuant to this Agreement pending resolution of the dispute will be promptly refunded if it is determined pursuant to Article 14 (Dispute Resolution) that such payments are to be refunded by one Party to the other Party. If, as a result of such dispute resolution proceeding, it is determined that the Breaching Party did not commit such material breach (or such material breach was cured in accordance with Section 13.2.2 (Termination for Material Breach)), then no termination of this Agreement will be effective, and this Agreement will continue in full force and effect.

13.2.4 **Termination for Insolvency**. Each Party will have the right to terminate this Agreement in its entirety upon written notice to the other Party in the event that the other Party undergoes any Insolvency Event.

**13.3. Effects of Termination**. Upon the effective date of termination (but not expiration) of this Agreement:

13.3.1 **Termination of Rights and Licenses**. Except as expressly set forth herein, including those provisions that this Agreement expressly provides will survive such termination and subject to Section 13.3.5 (Survival of Sublicenses), all rights and licenses granted by each Party to the other Party in this Agreement will terminate with respect to the Terminated Compounds and Terminated Products in the Terminated Countries; *provided* that such licenses will continue as necessary for the Parties to complete the orderly wind-down of their activities under this Agreement for the Terminated Compounds and Terminated Products in the Terminated Countries in accordance with Applicable Law and as otherwise required in accordance with this Section 13.3 (Effects of Termination).

13.3.2 **Sell-Off Right**. Climb and its Affiliates and its Sublicensees will have the right to sell off any Terminated Products that have been Manufactured or are in the process of being Manufactured at the time of termination; *provided* that any revenue obtained from such disposal will be treated as Net Sales and the provisions of Article 8 (Financial Provisions) will apply to such Net Sales and, in the event that such sales result in the achievement of a Sales Milestone Event, the applicable Sales Milestone Payment will be payable.

13.3.3 **Termination of Payment Obligations**. All payment obligations with respect to the Terminated Compounds and Terminated Products in the Terminated Countries hereunder will terminate, other than those that are accrued and unpaid as of the effective date of such termination. Climb will pay or cause to be paid to Mabworks all such accrued and unpaid sums in accordance with the applicable payment terms set forth in this Agreement. For clarity, the Upfront Payment, Development Milestone Payments, and Sales Milestone Payments shall be irrevocable and non-refundable, except as otherwise agreed by the Parties.

13.3.4 **Ongoing Clinical Trials**. Notwithstanding any provision to the contrary set forth under this Agreement, if a Clinical Trial of a Terminated Product in a Terminated Country has been initiated at the time of termination for such Terminated Product in such Terminated Country, then the terms of this Agreement will continue to apply as necessary to accomplish a safe and orderly wind-down of such Clinical Trial, unless Climb and Mabworks agree in writing that Climb will transfer the conduct of such Clinical Trial to Mabworks or its designee and such transfer is permitted under Applicable Law; *provided* that, if the continuation of such Clinical Trial by Climb is required by Applicable Law or for ethical or safety reasons, in which case Climb will so continue such Clinical Trial for so long as to enable such Clinical Trial to be completed without interruption.

13.3.5 **Sublicense Survival**. Upon termination of this Agreement for any reason, and upon the request of any Sublicensee not then in breach of its sublicense agreement or the terms of this Agreement applicable to such Sublicensee, Mabworks will enter into a direct license from Mabworks to such Sublicensee on the same terms as this Agreement, taking

into account any difference in license scope, territory and duration of sublicense grant (each a "**New License Agreement**"). Mabworks agrees that such Sublicensee's sublicense will survive the termination of this Agreement until such New License Agreement between Mabworks and such former Sublicensee can be entered into, and such Sublicensee will be required to pay to Mabworks the same amounts in consideration for such direct grant as Mabworks would have otherwise received from Climb pursuant to this Agreement on account of such Sublicensee's Exploitation of the relevant Terminated Products in the Terminated Countries had this Agreement not been terminated. Under such New License Agreement, Mabworks will not be bound by any grant of rights broader than, and will not be required to perform any obligation other than those rights and obligations contained in, this Agreement and all applicable rights of Mabworks set forth in this Agreement will be included in such New License Agreement. Each Sublicensee will be an intended Third Party beneficiary of this Section 13.3.5 (Sublicense Survival) with the right to enforce the same against Mabworks. At the request of Climb, Mabworks will issue a comfort letter directly to any potential Sublicensee confirming the terms of this Section 13.3.5 (Sublicense Survival).

13.3.6 **Return of Confidential Information**. Within [**] following any termination of this Agreement, each Party will, at the request of the other Party, deliver to the other Party, or certify the destruction of, any and all tangible Confidential Information of the other Party in such Party's possession that is solely related to the Terminated Compounds and Terminated Product(s) in the Terminated Countries (or if this Agreement is terminated in its entirety, then all such Confidential Information of the other Party), and to the extent reasonably practicable, remove such Confidential Information of the other Party from all databases and systems. Notwithstanding the foregoing, each Receiving Party may retain copies of the Disclosing Party's Confidential Information to the extent required by Applicable Law or to the extent such Confidential Information is electronically archived in the ordinary course of the Receiving Party's business. Any Confidential Information retained by the Receiving Party pursuant to this Section 13.3.6 (Return of Confidential Information) will remain subject to the obligations of non-disclosure and limitations on use set forth in this Agreement.

13.3.7 **Return of Prosecution Rights.** With respect to the Licensed Patent Rights (including patent applications) that have been transferred to Climb for prosecution and maintenance in accordance with this Agreement, following the termination of this Agreement, Climb shall cooperate with Mabworks for the prompt transfer of the rights to prosecute and maintain such Licensed Patent Rights back to Mabworks, including by fulfilling any relevant administrative procedures such as changing the applicant or the right holder for such Patent Rights .

**13.4.** **Survival**. The expiration or termination of this Agreement for any reason will be without prejudice to any rights that will have accrued to the benefit of any Party prior to such expiration or termination, and any and all damages or remedies (whether at law or in equity) arising from any breach hereunder, each of which will survive expiration or termination of this Agreement. Such expiration or termination will not relieve any Party from obligations that are expressly indicated to survive expiration or termination of this Agreement. Except as otherwise expressly set forth in this Agreement, the termination provisions of this Article are in addition to any other relief and remedies available to either Party under this Agreement, at law or in equity. Without limiting the foregoing, the following provisions will survive the termination or expiration of this Agreement for any reason: Article 1 (Definitions), Section 2.3 (No Other Rights and Retained Rights), Article 8 (Financial Provisions) (solely with respect to payment obligations accruing prior to the expiration

or termination of this Agreement), Section 8.4.5 (Expiration of Royalty Term), Section 9.1 (Inventions) (except for Section 9.1.3(a) (Invention Disclosure), Article 10 (Confidentiality), Section 11.5 (No Other Warranties), Article 12 (Indemnification) (except for Section 12.6 (Insurance)), Section 13.3 (Effects of Termination), this Section 13.4 (Survival), Article 14 (Dispute Resolution), and Article 15 (Miscellaneous) (except for Section 15.2.3 (Assignment of Intellectual Property); *provided* that, solely with respect to any Licensed Technology under which Climb has received a perpetual license in connection with Section 8.4.5 (Expiration of Royalty Term) prior to or at the time of the applicable expiration or termination of this Agreement, Mabworks will not assign its rights and interest under such Licensed Technology in a manner that would adversely affect Climb's rights under such perpetual license).

## ARTICLE 14
## DISPUTE RESOLUTION

**14.1.** **Disputes**. Except as provided in Section 3.8 (JSC Decision-Making), the Parties agree that the procedures set forth in this Article 14 (Dispute Resolution) will be the exclusive mechanism for resolving any dispute, controversy, or claim of any nature arising out of, relating to or in connection with this Agreement (each, a "**Dispute**", and collectively, the "**Disputes**"). Either Party may initiate dispute resolution proceedings for a Dispute by providing written notice of the Dispute to the other Party.

**14.2.** **Resolution by Executive Officers**. In the event of any Dispute, the Parties will first attempt in good faith to resolve such Dispute by negotiation and consultation between themselves, including discussions through their respective Alliance Managers. If such Dispute is not resolved on an informal basis within [**] after one Party provides written notice of the Dispute to the other, then either Party may, by written notice to the other Party, refer the Dispute to the Executive Officers for attempted resolution by good faith negotiation within [**] after such notice is received. Any Party will have the right to refer any and all Disputes that are not resolved under this Section 14.2 (Resolution by Executive Officers) to arbitration in accordance with Section 14.3 (Binding Arbitration) at any time after the [**] period for negotiations between the Executive Officers has expired. Any dispute concerning the propriety of commencing arbitration or the scope or applicability of the agreement to arbitrate will be finally settled by the arbitrators.

**14.3.** **Binding Arbitration**.

14.3.1 **ICC Arbitration**. If the Parties fail to resolve the dispute through escalation to the Executive Officers under Section 14.2 (Resolution by Executive Officers), and a Party desires to pursue resolution of the dispute, the dispute will be submitted by either Party for resolution in arbitration administered by the International Chamber of Commerce ("**ICC**") pursuant to its arbitration rules and procedures then in effect.

14.3.2 **Arbitration Procedure**. The number of arbitrators will be three. Each Party will nominate one arbitrator and the two Party-nominated arbitrators will nominate the third arbitrator, who will serve as the presiding arbitrator, within [**] after the second arbitrator's appointment. The language of the arbitration will be English, and each arbitrator must have experience in the biotechnology and pharmaceutical industry, and each arbitrator must be fluent in English. If, however, the aggregate award sought by the Parties is less than [**] and equitable relief is not sought, the arbitration will be conducted by a single arbitrator agreed by the Parties (or appointed by the ICC if the Parties cannot agree). The arbitrators will consider grants of equitable relief and orders for specific performance as co-equal remedies along with awards of monetary damages.

The arbitrators will have no authority to award punitive damages. The Parties hereby agree that the arbitrators have authority to issue rulings and orders regarding all procedural and evidentiary matters that the arbitrators deem reasonable and necessary with or without petition therefore by the Parties as well as the final ruling and judgment. All rulings by the arbitrators will be final. For clarity, and notwithstanding anything in this Agreement to the contrary, nothing in this Agreement (including under Section 13.3.3 (Termination of Payment Obligations)) shall limit the ability for an arbitrator to award damages to a Party under this Section 14.3 (Binding Arbitration).

14.3.3 **Location and Language**. The seat and location of the arbitration will be New York City, New York, U.S., and the language of the proceedings will be English. The arbitral tribunal will determine the dispute by applying the provisions of this Agreement and the governing law set forth in Section 15.5 (Governing Law). The Parties agree that any award or decision made by the arbitral tribunal will be final and binding upon them and may be enforced in the same manner as a judgment or order of a court of competent jurisdiction.

14.3.4 **Injunctive Relief**. By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue, at the request of a Party, a pre-arbitral injunction, pre-arbitral attachment or other order to avoid irreparable harm, maintain the status quo, preserve the subject matter of the dispute, or aid the arbitration proceedings and the enforcement of any award. Without prejudice to such provisional or interim remedies in aid of arbitration as may be available under the jurisdiction of a competent court, the arbitral tribunal will have full authority to grant provisional or interim remedies and to award damages for the failure of any Party to the dispute to respect the arbitral tribunal's order to that effect.

14.3.5 **Confidentiality**. The existence and content of the arbitral proceedings and any ruling or awards will be kept confidential by the Parties and members of the arbitral tribunal except (a) to the extent that disclosure may be required of a Party to fulfill a legal duty, protect or pursue a legal right, or enforce or challenge an award in bona fide legal proceedings before a court or other judicial authority, (b) with the consent of all Parties, (c) where needed for the preparation or presentation of a claim or defense in the arbitration, (d) where such information is already in the public domain other than a result of a breach of this clause, or (e) by order of the arbitral tribunal upon application of a Party.

14.3.6 **Costs**. Each Party will bear its own attorney's fees, costs, and disbursements arising out of the arbitration, and will pay an equal share of the fees and costs of the administrator and the arbitrator; *provided, however*, that the arbitrator will be authorized to determine whether a Party is the prevailing Party, and if so, to award to that prevailing Party reimbursement for any or all of its reasonable attorneys' fees, costs and disbursements (including, for example, expert witness fees and expenses, travel expenses, etc.), or the fees and costs of the administrator and the arbitrator.

14.3.7 **Intellectual Property Rights**. Notwithstanding anything in this Section 14.3 (Binding Arbitration), in the event of a dispute with respect to the validity, scope, enforceability or ownership of any Patent Right or other intellectual property rights, and such dispute is not resolved in accordance with Section 14.2 (Resolution by Executive Officers), such dispute will not be submitted to an arbitration proceeding in accordance with this Section 14.3 (Binding Arbitration), unless otherwise agreed by the Parties in writing,

and instead either Party may initiate litigation in a court of competent jurisdiction in any country in which such rights apply.

14.3.8 **Continued Performance**. Unless and until this Agreement has terminated in accordance with its terms, the Parties will continue to proceed with and be bound by all rights and obligations hereunder notwithstanding the existence of a Dispute or the pendency of an arbitration process.

**14.4. Baseball Arbitration**.

14.4.1 **Baseball Arbitration Procedure**. (a) Either Party may submit a failure to agree on the terms of the Quality Agreement in accordance with Section 6.2 (Quality Agreement) or (b) Climb may submit a failure to agree on the terms of the master services agreement in accordance with Section 4.11 (Additional Development Services), and (c) Climb may submit a failure to agree on the terms of the Clinical Supply Agreement in accordance with Section 6.1 (Clinical Supply Agreement), in each case ((a) through (c)), to a Third Party expert (a "**Third Party Expert**") acceptable to the Parties having relevant expertise with respect to the dispute and who has not had any material business relationship with either Party in the [**] prior to appointment. The Parties will use reasonable efforts to agree on the Third Party Expert within [**] after either Party designates the dispute for mediation and arbitration. If the Parties cannot agree on a Third Party Expert within [**] , then each Party will nominate one Third Party expert within such [**] period, and the two Third Party experts selected will nominate the Third Party expert within [**] after their nomination, and such Third Party expert will be the Third Party Expert for purpose of this Section 14.4 (Baseball Arbitration).

14.4.2 **Proposal of Terms**. Within [**] of selection of the Third Party experts, each Party will deliver to both the Third Party Expert and the other Party a detailed written proposal setting forth (a) all terms the Parties have agreed upon, and (b) all of such Party's proposed additional terms for the resolution of the dispute (the "**Proposed Terms**") and a memorandum (the "**Support Memorandum**") in support thereof, which will not exceed [**] pages in length. The Parties will also provide the Third Party Expert with a copy of this Agreement, as amended through such date. Within [**] after receipt of the other Party's Proposed Terms and Support Memorandum, each Party may submit to the Third Party Expert (with a copy to the other Party) a response to the other Party's Proposed Terms and Support Memorandum, such response not exceeding [**] pages in length. Neither Party may have any other communications (either written or oral) with the Third Party Expert; *provided* that the Third Party Expert may, in its discretion, convene a hearing to ask questions of the Parties and hear oral argument and discussion regarding each Party's Proposed Terms and Support Memorandum, at which time each Party will have an agreed upon time to argue and present witnesses in support of its Proposed Terms.

14.4.3 **Selection of Proposed Terms**. Within [**] after the Third Party Expert is appointed, the Third Party Expert will select one of the two Proposed Terms (without modification) provided by the Parties that most closely reflects a commercially reasonable interpretation of the terms of this Agreement. In making its selection, (a) the Third Party Expert will not modify the terms or conditions of either Party's Proposed Terms nor will the Third Party Expert combine provisions from both Proposed Terms and (b) the Third Party Expert will consider the terms and conditions of this Agreement, the relative merits of the Proposed Terms, the Support Memorandums and, if applicable, the oral

arguments of the Parties. The Third Party Expert will make its decision known to both Parties as promptly as possible by delivering written notice to both Parties. The decision of the Third Party Expert will be final and binding on the Parties and the Parties will enter the Quality Agreement, master services agreement or Clinical Supply Agreement, as applicable, consistent with such decision.

## ARTICLE 15
## MISCELLANEOUS

**15.1.** **Force Majeure**. Neither Party will be held liable to the other Party nor be deemed to have defaulted under or breached this Agreement for failure or delay in performing any obligation under this Agreement (excluding any payment obligations to the extent remedies under Section 8.11 (Blocked Payments) are available and applicable) to the extent such failure or delay is caused by or results from causes beyond the reasonable control of the affected Party, including embargoes, war, acts of war (whether war be declared or not), insurrections, riots, epidemic, pandemic, civil commotions, strikes, sanctions, lockouts or other labor disturbances, fire, floods, or other acts of God or any other deity, or acts, omissions or delays in acting by any Governmental Authority (even if foreseeable) (except to the extent such delay results from the breach by the non-performing Party or any of its Affiliates of any term or condition of this Agreement) (each such event, a "**Force Majeure Event**"). The affected Party will notify the other Party of such Force Majeure Event as soon as reasonably practical and will promptly undertake all reasonable efforts necessary to cure such Force Majeure Event. In addition, neither Party will be obligated to make any payments for any part of any services not performed as a result of any Force Majeure Event. The suspension of performance by the non-performing Party will be of no greater scope and no longer duration than is necessary and the non-performing Party will use reasonable efforts to remedy its inability to perform.

**15.2.** **Assignment; Change of Control**.

15.2.1 **Transfer**. Except as expressly permitted herein, this Agreement may not be assigned or otherwise transferred, nor may any right or obligation hereunder be assigned or transferred, by either Party without the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed). Any attempted assignment not in accordance with this Section 15.2 (Assignment; Change of Control) will be null and void and of no legal effect. Any permitted assignee will assume all assigned obligations of its assignor under this Agreement. The terms and conditions of this Agreement will be binding upon, and will inure to the benefit of, the Parties and their respected successors and permitted assigns. For clarity, the Assignment of Intellectual Property, as governed by Section 15.2.3, will follow the provisions of Section 15.2.3 and shall not be subject to the restrictions set forth in this Section 15.2.1.

15.2.2 **Assignment to Affiliates and Successors**. Notwithstanding the foregoing, either Party may, without consent of the other Party, assign this Agreement and its rights and obligations hereunder in whole or in part to an Affiliate of such Party, or in whole to its successor-in-interest in connection with the sale of all or substantially all of its stock or its assets to which this Agreement relates, or in connection with a merger, acquisition, or similar transaction of the assigning Party.

15.2.3 **Assignment of Intellectual Property**. Notwithstanding anything to the contrary herein, Mabworks will not assign this Agreement unless such assignee is assigned all of Mabworks' rights and interest under the Licensed Technology. Similarly, Mabworks

will not assign its rights and interest under the Licensed Technology to an Affiliate or Third Party without also assigning all its rights under this Agreement to such Affiliate or Third Party.

**15.3.** **Severability**. If any one or more of the provisions contained in this Agreement is held invalid, illegal, or unenforceable in any respect, then the validity, legality, and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties will in such an instance use their best efforts to replace the invalid, illegal, or unenforceable provision(s) with valid, legal, and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

**15.4.** **Notices**. All notices which are required or permitted hereunder will be in writing and sufficient if delivered personally, sent by email (and promptly confirmed by personal delivery, registered, or certified mail or overnight courier), sent by internationally- recognized overnight courier or sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Mabworks:

Beijing Mabworks Biotech Co., Ltd. Room 2505, Building 1, Yard 2, Ronghua South Road, Beijing Economic-Technological Development Area, Beijing, China Attention: Feng LI Email: [**]

If to Climb:

Climb Bio, Inc. 20 William Street, Suite 145 Wellesley Hills, MA 02481, USA Attention: Legal Department Email: [**] with a copy to (which will not be deemed notice):

Ropes & Gray LLP Three Embarcadero Center San Francisco, CA 94111-4006, USA Attention: Geoffrey LIN Email: Geoffrey.Lin@ropesgray.com or to such other address as the Party to whom notice is to be given may have furnished to the other Party in writing in accordance herewith. Any such notice will be deemed to have been given: (a) when delivered if personally delivered on a Business Day; (b) on the fifth Business Day after dispatch if sent by internationally-recognized overnight courier; or (c) on the eighth Business Day following the date of mailing if sent by registered or certified mail.

**15.5.** **Governing Law**. Subject to Section 9.1.3(b) (Inventions by a Party), this Agreement will be governed by and construed in accordance with the laws of the State of New York, without giving effect to any choice of law principles that would require the application of the laws of a different jurisdiction. The application of the U.N. Convention on Contracts for the International Sale of Goods is excluded.

**15.6.** **Entire Agreement; Amendments**. The Agreement, together with the Schedules attached hereto, contains the entire understanding of the Parties with respect to the subject matter hereof. All express or implied agreements and understandings, either oral or written, with regard to the subject matter hereof (including the licenses granted hereunder) are superseded by the terms of this Agreement. Neither Party is relying on any representation, promise, nor warranty not expressly set forth in this Agreement. This Agreement may be amended, or any term hereof modified, only by a written instrument duly executed by authorized representatives of both Parties hereto.

**15.7.** **Headings**. The captions to the several Sections hereof are not a part of this Agreement, but are merely for convenience to assist in locating and reading the Sections of this Agreement.

**15.8.** **Performance by Affiliates**. Either Party may use one or more of its Affiliates to exercise its rights and perform its obligations and duties hereunder, *provided* that such Party will remain liable hereunder for the prompt payment and performance of all its obligations hereunder.

**15.9.** **Independent Contractors**. It is expressly agreed that Mabworks and Climb will be independent contractors and that the relationship between the Parties for all purposes, including Tax purposes, will not constitute a partnership, joint venture, or agency. Neither Mabworks nor Climb will have the authority to make any statements, representations, or commitments of any kind, or to take any action, which will be binding on the other Party, without the prior written consent of the other Party.

**15.10.** **Waiver**. The waiver by either Party of any right hereunder, or the failure of the other Party to perform, or a breach by the other Party, will not be deemed a waiver of any other right hereunder or of any other breach or failure by such other Party whether of a similar nature or otherwise.

**15.11.** **Cumulative Remedies**. No remedy referred to in this Agreement is intended to be exclusive, but each will be cumulative and in addition to any other remedy referred to in this Agreement or otherwise available under Applicable Law.

**15.12.** **Waiver of Rule of Construction**. Each Party has had the opportunity to consult with counsel in connection with the review, drafting, and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting Party will not apply.

**15.13.** **Business Day Requirements**. If any notice or other action or omission is required to be taken by a Party under this Agreement on a day that is not a Business Day, then such notice or other action or omission will be deemed to be required to be taken on the next occurring Business Day.

**15.14.** **English Language**. This Agreement is in the English language only, which language will be controlling in all respects, and all versions hereof in any other language will be for accommodation only and will not be binding upon the Parties. All communications and notices to be made or given pursuant to this Agreement, including all communications between the JSC, and any dispute proceeding related to or arising hereunder, will be in the English language. If there is a discrepancy between any translation of this Agreement and this Agreement, then this Agreement will prevail.

**15.15.** **Further Actions**. Each Party agrees to execute, acknowledge, and deliver such further instruments, and to do all such other acts, as necessary or appropriate in order to carry out the purposes and intent of this Agreement.

**15.16.** **Construction**. Except where the context expressly requires otherwise, (a) the use of any gender herein will be deemed to encompass references to all genders, and the use of the singular will be deemed to include the plural (and vice versa), (b) the words “include”, “includes” and “including” will be deemed to be followed by the phrase “without limitation”, (c) the word “will” will be construed to have the same meaning and effect as the word “shall”, (d) any definition of or reference to any agreement, instrument, or other document herein will be construed as referring to such agreement, instrument, or other document as from time to time amended, supplemented, or otherwise modified (subject to any restrictions on such amendments, supplements, or modifications set forth herein), (e) any reference herein to any Person will be construed to include the Person’s successors and assigns, (f) the words “herein”, “hereof” and “hereunder”, and words of similar

import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (g) all references herein to Sections, or Schedules will be construed to refer to Sections, or Schedules of this Agreement, and references to this Agreement include all Schedules hereto, (h) the word "notice" means notice in writing (whether or not specifically stated) and will include notices, consents, approvals and other written communications contemplated under this Agreement, (i) provisions that require that a Party, the Parties or any committee hereunder "agree", "consent", or "approve" or the like will require that such agreement, consent, or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise (but excluding e-mail and instant messaging), (j) references to any specific law, rule or regulation, or section, or other division thereof, will be deemed to include the then-current amendments thereto or any replacement or successor law, rule or regulation thereof, and (k) the term "or" will be interpreted in the inclusive sense commonly associated with the term "and/or."

**15.17. Counterparts**. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Each Party will be entitled to rely on the delivery of executed facsimile copies of counterpart execution pages of this Agreement and such facsimile copies will be legally effective to create a valid and binding agreement among the Parties.

**15.18. Effectiveness.** As of the Effective Date, this Agreement supersedes and replaces the Original Agreement in its entirety. From and after the Effective Date, the rights and obligations of the Parties with respect to the subject matter of this Agreement shall be governed exclusively by this Agreement, and the Original Agreement shall have no further force or effect; provided that such supersession shall not affect any rights, obligations or liabilities arising or accrued under the Original Agreement prior to the Effective Date.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the Parties intending to be bound have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**Climb Bio, Inc.**

By: /s/ Aoife Brennan

Name: Aoife Brennan

Title: CEO

**IN WITNESS WHEREOF**, the Parties intending to be bound have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

**Beijing Mabworks Biotech Co., Ltd.**

By: /s/ Feng Li

Name: Feng Li

Title: CEO

**Schedule 6.1(a)**
**Clinical Supply Terms**

| | |
|---|---|
| **Summary** | This Term Sheet summarizes the key terms for the Clinical Supply Agreement. The Clinical Supply Agreement covers Mabworks' Manufacturing and supply of applicable Licensed Compounds, Licensed Products, and placebo ("**Supply Products**") to Climb for Development purposes.<br><br>Any capitalized terms used herein that are not defined shall have the meanings assigned to them in the Agreement. |
| **1. General Supply Terms** | |
| **Purchase and Supply** | Mabworks will supply Climb's requirements of Supply Products for use by Climb in the Development of each Supply Product in the ROW Territory; *provided that* Climb will have rights to obtain Supply Products from secondary sources as it deems necessary in its sole discretion. |
| **Term** | Unless otherwise terminated in accordance with the terms of the Clinical Supply Agreement, the Clinical Supply Agreement will be effective until the date of completion of the Clinical Trials for the last Supply Product in the ROW Territory. |
| **Subcontracting** | Mabworks will have the right to utilize Mabridge to manufacture and supply Supply Products or any component thereof. If Mabworks desires to change the subcontractor or facility used to Manufacture such Supply Products or to qualify a new source for such Supply Products, then Mabworks will seek approval for such subcontractor or facility change or qualification of such new source from Climb, which consent will not be unreasonably withheld if such new subcontractor, manufacturing facility or source meets the applicable requirements for cGMP manufacture of such Supply Products. |
| **2. Ordering and Forecasting** | |
| **Forecasting Under Clinical Supply Agreement** | In the Clinical Supply Agreement, Climb will provide Mabworks with a rolling [**] forecast of Climb's good faith estimate of the quantities of Supply Products required; *provided* that such forecast will be non-binding. The Parties will include reasonable forecast procedures that take into account the Minimum Lead Time (as defined below). |
| **Statements of Work Under Clinical Supply Agreement** | Climb and Mabworks will agree and enter into one or more statements of work for the supply of each Supply Product under the Clinical Supply Agreement (each an "**SOW**"). In each SOW, Climb and Mabworks will agree upon (a) the number of batches of the relevant Supply Product to be supplied by Mabworks for Climb, (b) the size of each batch of the relevant Supply Product (a "**Batch**"), and (c) the delivery date for each Batch of the relevant Supply Product (accounting for the Minimum Lead Time). |
| **Purchase Orders Under Clinical Supply Agreement** | Climb will place orders using the form of purchase order agreed to in advance by the Parties ("**Purchase Order**") and in accordance with the process to be set forth in the Clinical Supply Agreement. Each Purchase |
| | Order placed by Climb will specify the quantity of applicable Supply Products ordered that comply with the then-current binding forecast and the requested delivery date.<br><br>Mabworks will accept, and shall be deemed to have accepted, Purchase Orders that comply with the then-current binding forecast and specify a |

| | |
|---|---|
| | delivery date allowing for at least a minimum period of time after delivery of the Purchase Order (as agreed to by the Parties and set forth in the Clinical Supply Agreement, the "**Minimum Lead Time**") (each, a "**Conforming Purchase Order**").<br><br>Mabworks may accept or reject, in its sole discretion, any Purchase Order that is not a Conforming Purchase Order and will have no obligation to supply any Supply Products ordered pursuant to any such non-Conforming Purchase Order that is not accepted by Mabworks. |
| **Delivery Terms** | Unless otherwise stated in the relevant SOW, Conforming Purchase Order or accepted Purchase Order, Mabworks will deliver Supply Products purchased by Climb, in accordance with the quantities and delivery dates specified in the relevant SOW, Conforming Purchase Order, or accepted Purchase Order. |
| **3. Supply Shortfall** | |
| **Shortages** | In the event of a shortage of any Supply Product for any reason, Climb would be (a) first provided a distribution preference to meet [**] of the Supply Product ordered under the relevant Conforming Purchase Order, and (b) then allocated an equitable pro rata amount of available supply. |
| **4. Quality; Non-Conforming Product** | |
| **Manufacturing Quality & Documentation** | Mabworks will manufacture Supply Products in accordance with the applicable specifications (including the Minimum Shelf Life) and Applicable Law, and, for Supply Products supplied under the Clinical Supply Agreement and any SOW entered into in connection therewith, in accordance with cGCP, cGLP, and cGMP requirements and the quality agreement. Each delivery of Supply Products for clinical use will be accompanied by a certificate of analysis and other such documents as may be reasonably required pursuant to the Clinical Supply Agreement, quality agreement and Applicable Law, including at least the batch number and order number. |
| **Minimum Shelf Life** | Supply Products will be delivered with at least [**] ' shelf life under the Clinical Supply Agreement, unless otherwise specified in the applicable SOW or Purchase Order (the "**Minimum Shelf Life**"). |
| **Compliance Audits** | With respect to any facility or site at which a Party conducts Development, Manufacturing, or Commercialization activities pursuant to this Agreement, the other Party will have the right, at its expense, upon reasonable written notice to the conducting Party (and if applicable, such Affiliate), and during normal business hours, to inspect such site and facility and any records |
| | relating thereto [**] , or more often with reasonable cause, to verify compliance with the terms of this Agreement pertaining to Development, Manufacturing or Commercialization of the Licensed Compounds or License Products pursuant to all Applicable Laws, including cGLPs, cGCPs, cGMPs and current standards for pharmacovigilance practice. Such inspection will be subject to the confidentiality provisions set forth in the Agreement. |
| **6. Other Terms** | |
| **Other Customary Provisions** | The Clinical Supply Agreement will contain other customary provisions, including binding forecast, non-conforming supply, late delivery, representations and warranties, performance standards, indemnification, |

| | |
|---|---|
| | liability and right to offset against payment obligations under this Agreement, limits of liability, recall, quality audit and inspection provisions, confidentiality, record-keeping, invoicing, tax and insurance provision. The Parties will also enter into a mutually agreed Quality Agreement and Pharmacovigilance Agreement as required under the Agreement; *provided* that, except as expressly agreed upon by the Parties, the terms of such Clinical Supply Agreement will control over any conflicting terms in the Pharmacovigilance Agreement or Quality Agreement. |

**Schedule 6.1(b)**
[**] **Clinical Supply Pricing**

The Parties have entered into a statement of work under the Clinical Supply Agreement to support Climb's [**] Development in the Field in the ROW Territory, in accordance with Section 6.1 (Clinical Supply Agreement) and in accordance with the fees set forth in this schedule.

[**]

**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, Aoife Brennan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Climb Bio, 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: November 5, 2026

By: /s/ Aoife Brennan
Aoife Brennan, M.B., Ch.B.
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, Susan Altschuller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Climb Bio, 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: November 5, 2026

By: /s/ Susan Altschuller
Susan Altschuller, Ph.D., MBA
Chief Financial Officer
*(Principal Financial Officer)*

**Exhibit 32.1**

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

In connection with the Quarterly Report of Climb Bio, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: November 5, 2026

By: /s/ Aoife Brennan
Aoife Brennan, M.B., Ch.B.
President and Chief Executive Officer
*(Principal Executive Officer)*

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Climb Bio, 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 the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**Exhibit 32.2**

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

In connection with the Quarterly Report of Climb Bio, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: November 5, 2026

By: /s/ Susan Altschuller
Susan Altschuller, Ph.D., MBA
Chief Financial Officer
*(Principal Financial Officer)*

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Climb Bio, 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 the Form 10-Q), irrespective of any general incorporation language contained in such filing.