Risk Factors Comparison 2024-03-25 to 2023-03-23 Form: 10-K

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You should carefully consider the following risk factors, as well as the other information in this report, before deciding whether to purchase, hold or sell shares of our common stock. The occurrence of any of the following risks could harm our business, financial condition, results of operations and / or growth prospects or cause our actual results to differ materially from those contained in forward- looking statements we have made in this report and those we may make from time to time. You should consider all of the factors described as well as the other information in our financial statements and the related notes and " Management' s Discussion and Analysis of Financial Condition and Results of Operations " when evaluating our business. If any of the following risks actually occurs, our business, financial condition, results of operations and future growth prospects would likely be materially and adversely affected. In these circumstances, the market price of our common stock would likely decline and you may lose all or part of your investments. Additional risks and uncertainties not presently known to us or that we currently deem immaterial 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 incur significant losses for the foreseeable future and may never achieve or maintain profitability. We are a clinical- stage biotechnology company incorporated in March 2017 and our operations, to date, have consisted of organizing and staffing our company, business planning, raising capital, in- licensing rights to itolizumab (EQ001), conducting non- clinical research, **including the initial preclinical development of EQ302,** filing three INDs, conducting clinical development of **EQ101, EQ102 and** itolizumab (EQ001), conducting business development activities such as the acquisition of Bioniz in February 2022 and the Asset Purchase Agreement with Ono in December 2022 ~~, initiating clinical studies of EQ101 and EQ102~~ , and the general and administrative activities associated with being a public company. We have never completed the development of any product candidate through to marketing approval, and we have never generated any revenue from sales of an approved product. Consequently, we have no meaningful operations upon which to evaluate our business, and predictions about our future success or viability may not be as accurate as they could be if we had a history of successfully developing and commercializing biopharmaceutical products. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to gain regulatory approval or become commercially viable. We have never generated any revenues from sales of an approved product, and we cannot estimate with precision the extent of our future losses. For the years ended December 31, **2023 and** 2022 ~~and 2021~~ , our net losses were $ **13. 3 million and $** 62. 4 million ~~and $ 39. 1 million~~ , respectively. As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~172~~ **185** . ~~4~~ **7** million. We expect to incur operating losses for the foreseeable future as we execute our plan to **perform** ~~advance our~~ research and development activities **, advance the** ~~into later stages of~~ clinical development **of EQ101 and itolizumab (EQ001)** , ~~ramp up~~ **conduct preclinical research and potential** clinical development of ~~EQ101 and EQ102~~ **EQ302 and other preclinical product candidates** , perform discovery research ~~and~~ **,** conduct formulation and device development of our product candidates, potentially expand the indications for which we conduct clinical development of our product candidates, potentially acquire or develop new products and / or product candidates, seek regulatory approvals of and potentially commercialize any approved products, hire **and retain** additional personnel ~~and~~ **, maintain compliance with regulatory requirements,** protect our intellectual property **, and manage the administrative aspects of our business** . Furthermore, in connection with the acquisition of Bioniz, we expanded our pipeline from one product candidate to ~~three~~ **multiple** product candidates, all at various stages of development. This expansion of our pipeline may accelerate the rate at which our operating losses increase as we incur costs to further the development and seek regulatory approval ~~for~~ **of** these product candidates. In addition, if we obtain regulatory approval ~~for~~ **of** any of our product candidates, we expect to incur increased sales and marketing expenses, with certain of such investments potentially being made in advance of an approval. As a result, we expect to continue to incur significant operating losses and negative cash flows for the foreseeable future. These losses have had and will continue to have an adverse effect on our financial position and working capital. To become and remain profitable, we must develop or acquire and eventually commercialize a product with significant market potential. This will require us to be successful in a range of challenging activities, including completing preclinical studies and clinical studies of our product candidates, obtaining marketing approvals ~~for~~ **of** our product candidates, manufacturing, marketing and selling our product candidates if we obtain marketing approval, and satisfying post- marketing requirements, if any. We may never succeed in these activities and, even if we succeed in obtaining approval ~~for~~ **of** and commercializing our product candidates, we may never generate revenues that are significant enough to achieve profitability. In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown challenges. Furthermore, because of the numerous risks and uncertainties associated with biopharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis and we may continue to incur substantial research and development and other expenditures to develop and market additional product candidates. Our failure to become and remain profitable would decrease the value of the company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment. We will require substantial additional funding to continue and complete the development and any commercialization of EQ101 and ~~EQ102~~ **EQ302** , and if Ono does not exercise its option, itolizumab (EQ001), and any future product candidates. If we are unable to raise this capital when needed, we may be forced to delay, reduce or eliminate our

research and development programs or other operations. We expect our expenses to increase substantially during the next few years. The development of biotechnology product candidates is capital intensive. As we conduct non- clinical research and clinical development of our product candidates, we will need substantial additional funds to maintain and expand our capabilities in a variety of areas including discovery and non- clinical research, clinical development, regulatory affairs, product development, product quality assurance, and pharmacovigilance. In addition, if we obtain marketing approval ~~for~~ **of** any of our product candidates, we expect to incur significant commercialization expenses for marketing, sales, manufacturing and distribution. Some of those commercialization investments may be made at- risk in advance of receiving an approval. As of December 31, ~~2022~~ **2023**, we had $ ~~71~~ **40**. ~~0~~ **9** million in cash, cash equivalents and short- term investments. We expect that our existing cash, cash equivalents and short- term investments as of December 31, ~~2022~~ **2023**, will enable us to fund our operations into **the second half of** 2025 **, assuming no further repurchases under our stock repurchase program**. However, changing circumstances or inaccurate estimates by us may cause us to use capital significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. For example, our ongoing and future clinical studies of our product candidates may encounter technical, enrollment or other issues that could cause our development costs to increase more than we expect. **As of December 31, 2023, we have repurchased 298, 385 shares of our common stock under the stock repurchase program for a total of approximately $ 0. 3 million. There have been no repurchases of our common stock under the stock repurchase program since December 31, 2023 and through the date of the filing of this Annual Report on Form 10- K. The timing and amount, if any, of such further repurchases will depend on a variety of factors, including the price of our common stock, alternative investment opportunities, our cash resources, restrictions under any of our agreements, corporate and regulatory requirements and market conditions.** We do not have sufficient funds to complete the clinical development of EQ101 ~~or EQ102,~~ and **,** if Ono does not exercise its option, itolizumab (EQ001), through regulatory ~~approval~~ **approvals** for our current indications. We will need to raise substantial additional capital **, and even more if we make any repurchases of shares of our common stock under our stock repurchase program,** to complete the development and commercialization of each of those product candidates, which additional capital may be raised through the sale of our common stock or other securities or through the entering into of alternative strategic transactions, the terms of which may require us to divest one or more of our product candidates, such as our Asset Purchase Agreement with Ono, or cause our stockholders to incur substantial dilution. Future capital requirements will depend on many factors, including: • the initiation, progress, timing, costs and results of our ongoing and future clinical studies of our product candidates, including as such activities may be adversely impacted by ~~the COVID- 19 pandemic or other~~ public health epidemics or outbreaks; • the number and scope of indications we decide to pursue for our product development; • non- clinical research and toxicology studies necessary to support the successful clinical development and potential approvals of our product candidates; • formulation and device development work related to our product candidates; • the cost, timing and outcome of regulatory review of any BLA or NDA we may submit for our product candidates; • the costs and timing of manufacturing our product candidates and products; • the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property- related claims; • our efforts to enhance operational systems and our ability to attract, hire and retain qualified personnel, including personnel to support the development of our product candidates; • the costs associated with being a public company; • our ability to enter into partnerships or otherwise monetize our pipeline through strategic transactions on a timely basis, on terms that are favorable to us, or at all; • the terms and timing of establishing and maintaining collaborations, licenses and other similar arrangements, including our Asset Purchase Agreement with Ono; • the extent to which we acquire or in- license other product candidates and technologies; • the legal and other transactional costs associated with our business development activities **; • whether and to what extent we make repurchases of shares of our common stock under our stock repurchase program**; and • the cost associated with commercializing our product candidates if any are approved for commercial sale. In ~~March~~ **October** ~~2020~~ **2023**, we entered into ~~a purchase agreement, or~~ the ~~Purchase Agreement,~~ **2023 ATM Facility** with **Jefferies** ~~Lincoln Park Capital Fund~~ , **under** ~~LLC or Lincoln Park,~~ which ~~provides that, upon the terms and subject to the conditions and limitations set forth therein,~~ we may **offer and** sell ~~to Lincoln Park up to $ 15. 0 million of~~ shares of our common stock **having an aggregate offering price of up to $ 21. 95 million** from time to time **through Jefferies acting** ~~over the 36 - month term of the Purchase Agreement. Upon execution of the Purchase Agreement, we issued 65, 374 shares of our common stock to Lincoln Park~~ as **our sales agent** ~~commitment shares in accordance with the closing conditions contained within the Purchase Agreement~~. As ~~of December 31, 2022 and as of the date~~ of the filing of this Annual Report on Form 10- K, we have not sold any shares ~~of our common stock to Lincoln Park~~ under the ~~Purchase Agreement. The Purchase Agreement will expire on May 1,~~ 2023 **ATM Facility**. Our commercial revenues, if any, are expected to be primarily derived from sales of products, which is unlikely to happen within the next 12 months, if ever. Under the Asset Purchase Agreement with Ono, we received a one- time, upfront payment of JPY 3. 5 billion, or approximately $ 26. 4 million, and are (i) entitled to receive a one- time ~~,~~ payment of JPY 5. 0 billion, or approximately $ ~~37~~ **33**. ~~2~~ **1** million (based on the currency exchange rate quoted by MUFG Bank, Ltd. on March ~~16~~ **21**, ~~2023~~ **2024**) if Ono exercises its exclusive option to acquire our rights to itolizumab and (ii) eligible to receive up to $ 101. 4 million upon the achievement of certain milestones. However, there is no assurance that Ono will exercise its option or that we will ever receive any milestone payments. Additionally, due to the risks associated with foreign exchange rates, if Ono exercises the Option, the one- time upfront payment of JPY 5. 0 billion may result in a USD value that is significantly less than expected. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. Adequate additional financing may not be available to us on acceptable terms, or at all. Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from ~~the COVID- 19 pandemic or other~~ public health epidemics or outbreaks, bank failures, the conflict between Russia and Ukraine **, the conflicts in the Middle East**, and monetary policy

changes of federal agencies that have increased interest rates to address increasing inflationary pressures on the economy. If such disruptions persist and deepen, we could experience an inability to access additional capital. ~~Subject to limited exceptions, we are prohibited from incurring indebtedness without the prior written consent of the lenders pursuant to the loan agreement we entered into with Oxford Finance LLC and Silicon Valley Bank, or SVB, in September 2019, as amended in December 2020, April 2021 and February 2022, or the Loan Agreement.~~ In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or other operations, or enter into partnerships or otherwise monetize our pipeline through strategic transactions on terms that may not be as favorable to us as if we developed or commercialized the product candidates ourselves. **Further** ~~In addition~~ , we may not be able to access a portion of our existing cash, cash equivalents and investments due to market conditions. For example, on March 10, 2023, the Federal Deposit Insurance Corporation, or FDIC, took control and was appointed receiver of SVB. At the time the FDIC took control, we held assets valued at approximately $ 8. 2 million in a sweep account with SVB. We received full access to those funds on March 13, 2023. ~~As of the date of the filing of this Annual Report on Form 10- K, we have full access to and control over all of our cash, cash equivalents and short- term investments. In addition, because a substantial majority of our cash, cash equivalents and short- term investments is held at financial institution unaffiliated with SVB, we do not expect any material impact to our operations directly related to the closure of SVB.~~ If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition ~~. The terms of our Loan Agreement place restrictions on our operating and financial flexibility. In September 2019, we entered into the Loan Agreement providing for up to $ 20. 0 million in term loans, which is secured by a first priority perfected security interest in substantially all of our current and future assets, other than our intellectual property (except rights to payment from the sale, licensing or disposition of such intellectual property). We borrowed $ 10. 0 million upon execution of the Loan Agreement. The availability of any further credit from this Loan Agreement beyond that initial $ 10. 0 million advancement has lapsed. The Loan Agreement includes affirmative and restrictive covenants, including covenants regarding delivery of financial statements, maintenance of inventory, payment of taxes, maintenance of insurance, protection of intellectual property rights, dispositions of property, business combinations or acquisitions, incurrence of additional indebtedness or liens, investments and transactions with affiliates, among other customary covenants. We are also restricted from paying dividends or making other distributions or payments on our capital stock, subject to limited exceptions. The Loan Agreement also includes events of default, the occurrence and continuation of which provide Oxford Finance LLC, as collateral agent, with the right to exercise remedies against us and the collateral securing the loans under the Loan Agreement, including foreclosure against our properties securing the Loan Agreement, including our cash, potentially requiring us to renegotiate our agreement on terms less favorable to us or to immediately cease operations. These events of default include, among other things, our failure to satisfy our payment obligations under the Loan Agreement, the breach of certain of our other covenants under the Loan Agreement, or the occurrence of a material adverse change, cross defaults to other indebtedness or material agreements, judgment defaults and defaults related to failure to maintain governmental approvals failure of which to maintain could result in a material adverse effect. Further, if we are liquidated, the lenders' right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. The lenders could declare a default upon the occurrence of any event that they interpret as a material adverse change as defined under the Loan Agreement, thereby requiring us to repay the loan immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by the lenders of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. Additionally, while we have not been materially and adversely affected as an immediate result of the FDIC taking control and being appointed receiver of SVB on March 10, 2023, we may in the future be adversely impacted, including having to repay all outstanding amounts owed under the Loan Agreement or in receiving timely consent to incur additional indebtedness~~ . Risks Related to our Business and to the Development and Regulatory Approval of our Product Candidates We are highly dependent on the successful development of our current product candidates, EQ101, ~~EQ102~~ **EQ302** and itolizumab (EQ001), and we may not be able to obtain regulatory or marketing approval ~~for~~ **of** , or successfully commercialize, these product candidates in any of the indications for which we plan to develop them. Our future success will depend almost entirely on our ability to successfully develop, obtain regulatory approval ~~for~~ **of** and then successfully commercialize EQ101, ~~EQ102~~ **EQ302** and itolizumab (EQ001), in any of the indications for which we are currently planning to develop them, including treatment of AA with EQ101, treatment of celiac disease **or other gastrointestinal conditions** with ~~EQ102~~ **EQ302** , or treatment of aGVHD and LN with itolizumab (EQ001), which may never occur. We currently generate no revenues from sales of any biopharmaceutical products, and we may never be able to develop or commercialize a marketable biopharmaceutical product. Before we can market and sell any of our product candidates in the United States, we will need to manage research and development activities, commence and complete clinical studies, obtain necessary regulatory approvals from the FDA and build a commercial organization or enter into a marketing collaboration with a third party, among other things. We cannot assure you that we will be able to successfully complete the necessary clinical studies and / or obtain regulatory approval and develop sufficient commercial capabilities for any of our product candidates. We have not submitted a BLA or an NDA to the FDA or filed for approval with any other regulatory authority outside the United States for any product candidate. Further, our product candidates may not receive regulatory approval even if they are successful in clinical studies. If we do not receive regulatory approvals, our business, prospects, financial condition and results of operations will be adversely affected. Even if we obtain regulatory approval, we may never generate significant revenues from any commercial sales of any of our products. If any of our product candidates are approved and we fail to successfully commercialize them, we may be unable to generate sufficient

revenues to sustain and grow our business, and our business, prospects, financial condition and results of operations will be adversely affected. We have and may in the future enter into partnerships or similar arrangements or otherwise monetize our pipeline through strategic transactions, which may harm our ability to realize a return, if any, on our investments and may increase our need for external funding. We may enter into partnerships or similar arrangements or otherwise monetize our pipeline through strategic transactions for purposes of raising additional capital and allocating our available capital and other resources to developing and commercializing our other or future product candidates. For example, in December 2022 we entered into the Asset Purchase Agreement with Ono pursuant to which we granted Ono the exclusive option to acquire our rights to itolizumab (EQ001). Despite our efforts, we may be unable to enter into future partnerships or otherwise monetize our pipeline through strategic transactions with third parties on favorable terms or at all. Supporting diligence activities conducted by third parties and negotiating the financial and other terms of a strategic arrangement are long, costly and complex processes with uncertain results, and we may fail to derive any financial benefit from these activities. Any efforts toward finding a strategic partner for one or more of our product candidates may divert the time and attention of our management away from their day- to- day activities, which may adversely affect our focus on the discovery and development of our current product candidates that we intend to continue to develop and commercialize. Further, potential strategic partners may develop alternative products or pursue alternative technologies either on their own or in collaboration with others, potentially resulting in us receiving no future milestone or royalty payments under any such arrangement. We may enter into a strategic transaction for one or more of our product candidates that prove to be more successful than the product candidates we decide to continue to develop and commercialize. As a result, our financial position and the return we realize on our research and development activities could be negatively affected, and we could be required to seek additional funding to support our operations through equity offerings, debt financings or other capital sources, which could result in substantial dilution to our existing stockholders and could cause the price of our common stock to decline. Any of the foregoing could have a material adverse effect on our competitive position, business prospects, financial condition and results of operations. We may wish to acquire rights to future assets through in- licensing or may attempt to form collaborations with respect to our current or future product candidates, but may not be able to do so, which may cause us to alter or delay our development and commercialization plans. The development and potential commercialization of our product candidates will require substantial additional capital to fund expenses. We may, in the future, decide to collaborate with biotechnology or pharmaceutical companies for the development and potential commercialization of product candidates, such as our Asset Purchase Agreement with Ono. We will face significant competition in seeking appropriate collaborators. We may not be successful in our efforts to establish other strategic partnerships or alternative arrangements for any product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and potential parties may not view such product candidates as having the requisite potential to demonstrate safety and efficacy. If and when we collaborate on the development and commercialization of product candidates other than itolizumab (EQ001), we can expect to relinquish some or all of the control over the future success of that product candidate to the partner. Our ability to 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 following ~~:~~• the design or results of clinical studies; • the likelihood of approval by the FDA or comparable foreign regulatory authorities; • the potential market for the product candidate; • the costs and complexities of manufacturing and delivering such product candidate to patients; • the potential of competing products; • the existence of uncertainty with respect to our ownership of technology or other rights, 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 any license agreements from entering into agreements on certain terms or at all 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 and changes to the strategies of the combined company. As a result, we may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such product candidate, reduce or delay one or more of our other development programs, delay the potential commercialization or reduce the scope of any planned sales or marketing activities for such product candidate, or increase our expenditures and undertake development, manufacturing or commercialization activities at our own expense. If we elect to increase our expenditures to fund development, manufacturing 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 future product candidates or bring them to market and generate product revenue. Even if we are successful in our efforts to establish such collaborations, the terms that we agree upon may not be favorable to us, and we may not be able to maintain such collaborations if, for example, development approval of a product candidate is delayed, the safety of a product candidate is questioned or sales of an approved product candidate are unsatisfactory. We have limited experience in clinical development and have not successfully completed late- stage clinical studies or obtained regulatory approval for any product candidate. We initiated our first clinical study in the first quarter of 2019, which was a Phase 1 clinical study of itolizumab (EQ001) for the treatment of aGVHD. Since then, we have initiated three additional clinical studies of itolizumab (EQ001), two of which were Phase 1 clinical studies in uncontrolled asthma and lupus / LN and one was a Phase 3 clinical study in aGVHD. The Phase 1 ~~study in uncontrolled asthma has~~ **studies of itolizumab (EQ001) have** been completed, but ~~the Phase 1 study in lupus / LN and~~ the Phase 3 study in aGVHD ~~are~~ **is** currently ongoing. **We recently completed** ~~In September 2022, we initiated~~ a Phase 1 first- in- human clinical study of EQ102 in healthy volunteers in Australia, and ~~in November 2022~~ we ~~initiated~~ **are currently conducting** a Phase 2 clinical study of EQ101 in subjects with AA in Australia **and**

New Zealand . We **currently** have ~~three~~ **two** active INDs with the FDA for the use of itolizumab (EQ001) in the treatment of aGVHD ~~,~~ **and** LN ~~, and COVID- 19 patients, and we have not filed an IND with the FDA for the use of itolizumab (EQ001) for the treatment of uncontrolled moderate to severe asthma~~ . Through the acquisition of Bioniz, we have INDs with the FDA for the use of EQ101 in the treatment of HTLV- I- associated myelopathy / tropical spastic paraparesis, **cutaneous T cell lymphoma, or** CTCL, and AA. Because of our limited interaction with the FDA, we may not learn of certain information or data that the FDA may request until future interactions. In part because of our limited infrastructure, experience conducting clinical studies as a company and regulatory interactions, we also cannot be certain that our ongoing and future clinical studies will be completed on time, if at all, that our planned clinical studies will be initiated on time, if at all, or that our planned development programs would be acceptable to the FDA. Adverse safety and toxicology findings may emerge as we conduct non- clinical research or clinical studies. In addition, success in early clinical studies does not mean that later clinical studies will be successful, because later- stage clinical studies may be conducted in broader patient populations and involve different study designs. For example, although itolizumab (EQ001) and ALZUMAb share the same primary monoclonal antibody sequence, they are manufactured in different cell lines and thus could be considered different biopharmaceutical products. Therefore, results seen in clinical studies of ALZUMAb conducted by Biocon may not be predictive of the results of our clinical studies of itolizumab (EQ001). Furthermore, our future clinical studies will need to demonstrate sufficient safety and efficacy in larger patient populations for approval by the FDA. Companies frequently suffer significant setbacks in advanced clinical studies, even after earlier clinical studies have shown promising results, and we cannot be certain that we will not face similar setbacks. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical studies have nonetheless failed to obtain marketing approval of their products. In addition, only a small percentage of product candidates under development result in the submission of a BLA or NDA to the FDA and even fewer are approved for commercialization. Our ability to generate product revenues, which we do not expect will occur for at least the next several years, if ever, will depend heavily on our ability to successfully complete the above activities and any other activities required for the successful development and eventual commercialization of our product candidates. The success of our product candidates will further depend on factors such as: • completion of our ongoing and future clinical studies and preclinical studies with favorable results, including activities that may be adversely impacted by ~~the COVID- 19 pandemic or other~~ public health epidemics or outbreaks; • acceptance of INDs by the FDA for our future clinical studies, as applicable; • timely and successful enrollment in, and completion of, clinical studies with favorable results; • demonstrating safety, efficacy and acceptable risk- benefit profile of our product candidates to the satisfaction of the FDA; • receipt of marketing approvals from the FDA; • maintaining arrangements with our contract manufacturing organizations, or CMOs, for clinical and, if and when approved, commercial supply of EQ101 and ~~EQ102~~ **EQ302** and with Biocon, our manufacturer of itolizumab (EQ001), for cell lines and drug product clinical supply and, if and when approved, for commercial supply of itolizumab (EQ001); • establishing sales, marketing and distribution capabilities and launching commercial sale of our product candidates, if and when approved in one or more indications; • acceptance of our product candidates, if and when approved, by patients, the medical community and third- party payors; • effectively competing with other therapies; • obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity for our product candidates; and • maintaining a continued acceptable safety profile of our products, following approval. If we do not achieve one or more of these factors in a timely manner, we could experience significant delays or an inability to successfully obtain marketing approval and commercialize our product candidates, which would materially harm our business. Itolizumab (EQ001) is a monoclonal antibody that selectively targets CD6, a target for which there are no FDA- approved therapies. This makes it difficult to predict the timing and costs of clinical development for itolizumab (EQ001). We do not know whether our approach in targeting CD6 will allow us to develop any products of commercial value. Targeting CD6 is a therapeutic approach that represents a significant component of our current research and development, and the successful development of this therapeutic approach to the diseases we are targeting for treatment plays a major factor in our future success. To date, there are no FDA- approved drugs that target CD6, and while there are a number of independent studies clinically validating CD6 as a target, other than our partner Biocon, CD6 has not traditionally been a pathway targeted by other biopharmaceutical companies. The regulatory approval process for novel product candidates such as itolizumab (EQ001) can be more expensive and take longer than for other, better known or extensively studied therapeutic approaches. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring itolizumab (EQ001) to market could decrease our ability to generate sufficient revenue to maintain our business. Additionally, companion diagnostic tests may be developed for use with itolizumab (EQ001). We, or our collaborators, will be required to obtain FDA clearance or approval for these tests, as well as coverage and reimbursement separate and apart from the approval and coverage and reimbursement we seek for our itolizumab (EQ001). Our inability to collaborate with a companion diagnostics developer could have a material and adverse effect on our business, financial condition, results of operations and prospects. We have licensed the rights to itolizumab in the United States, Canada, Australia, and New Zealand. Any adverse developments that occur during any research, clinical, or commercial use of itolizumab by Biocon or third parties in other jurisdictions may affect our ability to obtain regulatory approval of or successfully commercialize itolizumab (EQ001) or otherwise adversely impact our business. Biocon, its Cuban partner, CIMAB, S. A., and their licensees, over which we have no control, have the rights to develop itolizumab worldwide and commercialize itolizumab in geographies outside of the Equillium Territory (as defined below). Itolizumab is approved in India for the treatment of moderate to severe plaque psoriasis ~~,~~ and ~~is~~ **was** marketed by Biocon as ALZUMAb. Biocon was also granted restricted emergency use approval of itolizumab by the Drugs Controller General of India, or DCGI, for the treatment of cytokine release syndrome, or CRS, in COVID- 19 patients with moderate to severe ARDS in India. In September 2020, the DCGI granted approval of itolizumab produced in a Chinese hamster ovary (CHO) cell line, marketed in India under the brand name ALZUMAb- L, or ALZUMAb Lyophilized, for the treatment of chronic plaque psoriasis, as well as restricted emergency

use authorization for the treatment of CRS in COVID- 19 patients with moderate to severe ARDS. We are also aware that ALZUMAb and ALZUMAb- L have been and **ALZUMAb- L** may continue to be used in India on a compassionate use basis, off label, and / or in investigator- initiated studies. We are unaware of any currently active and ongoing clinical studies of itolizumab in Cuba. Centro de Immunologia Molecular was granted emergency use authorization of itolizumab for patients with severe COVID- 19 in Cuba **. We understand that itolizumab is also being studied in clinical trials in China in subjects with ARDS and dermatomyositis. Those uses of itolizumab in Cuba and China we believe are limited to itolizumab manufactured in an NS0 cell line, whereas itolizumab (EQ001) is manufactured in a CHO cell line** . The results of clinical studies with itolizumab conducted by Biocon or third parties as well as the ongoing adverse event reporting related to the clinical or commercial use of itolizumab supported by Biocon or third parties could impact our development plans and the potential commercial prospects for itolizumab (EQ001). Further, we do not control and are unable to validate study results reported by Biocon or third parties. Any errors or omissions in the data and public disclosures reported by Biocon or third parties could have a material adverse effect on our stock price and business plans. If serious adverse events occur with patients using itolizumab as an approved therapy or during any clinical studies, exploratory studies, or other clinical uses of itolizumab conducted or supported by Biocon or third parties, regulatory authorities, including the FDA, may delay, limit or deny approval of itolizumab (EQ001), suspend our clinical development of itolizumab (EQ001), or require us to conduct additional clinical studies as a condition of marketing approval, which would increase our costs and adversely impact our business. If we receive regulatory approval ~~for~~ **of** itolizumab (EQ001) and a new and serious safety issue is identified in connection with the commercial use of ~~ALZUMAb or~~ ALZUMAb- L or in clinical studies, exploratory studies, or other clinical uses of itolizumab conducted or supported by Biocon or third parties, regulatory authorities may withdraw their approval of the product or otherwise restrict our ability to market and sell itolizumab. In addition, treating physicians may be less willing to administer our product due to concerns over such adverse events, which would limit our ability to commercialize itolizumab (EQ001) and could potentially adversely impact our ability to conduct clinical development of itolizumab (EQ001). If we fail to develop or acquire other product candidates or products, our business and prospects would be limited. One element of our strategy is to expand our pipeline by acquiring a portfolio of other product candidates through business or product candidate acquisitions such as our acquisition of Bioniz. The success of this strategy depends in large part upon the combination of our regulatory, development and commercial capabilities and expertise and our ability to identify, select and acquire product candidates for therapeutic indications that complement or augment our current pipeline, or that otherwise fit into our development or strategic plans on terms that are acceptable to us. Identifying, selecting and acquiring promising product candidates requires substantial technical, financial and human resources expertise. Efforts to do so may not result in the actual acquisition or license of a particular product candidate, potentially resulting in a diversion of our management' s time and the expenditure of our resources with no resulting benefit. If we are unable to identify, select and acquire suitable product candidates from third parties or acquire businesses at valuations and on other terms acceptable to us, or if we are unable to raise capital required to acquire businesses or new product candidates, our business and prospects will be limited and may require us to divest one or more of our product candidates to enable us to acquire businesses or new product candidates or progress the development of our other product candidates. Moreover, any product candidate we acquire may require additional, time- consuming development or regulatory efforts prior to commercial sale or prior to expansion into other indications, including ~~pre- clinical~~ **preclinical** studies if applicable, and extensive clinical testing and approval by the FDA and applicable foreign regulatory authorities. All product candidates are prone to the risk of failure that is inherent in pharmaceutical drug development, including the possibility that the product candidate will not be shown to be sufficiently safe and / or effective for approval by regulatory authorities. In addition, we cannot assure that any such products that are approved will be manufactured or produced economically, successfully commercialized or widely accepted in the marketplace or be more effective or desired than other commercially available alternatives. In addition, if we fail to successfully commercialize and further develop our product candidates, there is a greater likelihood that we will fail to successfully develop a pipeline of other product candidates to follow our existing product candidates or be able to acquire other product candidates to expand our existing portfolio, and our business and prospects would be harmed. Potential natural disasters, some possibly related to the increasing effects of climate change, could damage ~~or~~ **,** destroy **or disrupt** clinical study sites, our office spaces, laboratories, and / or warehouses, which could have a significant negative impact on our operations. We are vulnerable to the increasing impact of climate change and other natural disasters. Volatile changes in weather conditions, including extreme heat or cold, could increase the risk of wildfires, floods, blizzards, hurricanes and other weather- related disasters. Such extreme weather events, or other natural disasters such as earthquakes, can cause power outages and network disruptions that may result in disruption to operations and may impact our ability to continue or complete our clinical studies, which will negatively impact our operations and delay our plans to commercialize our product candidates. They could also cause significant damage to or destruction of our clinical study sites resulting in temporary or long- term closures of these facilities. Such disasters could also result in loss or damage to office buildings, laboratories, employee and / or patient homes, employees and / or patients relocating to other parts of the country or being unwilling to travel to the clinical study site locations, and the inability to recruit key employees and / or enroll patients. This could result in adverse impacts to the available workforce and / or patient samples, damage to or destruction of materials and / or data, or the inability to conduct clinical studies and deliver new data. We have licensed itolizumab from Biocon pursuant to an exclusive license agreement, which license is conditioned upon us meeting certain diligence obligations with respect to the development, regulatory approval and commercialization of itolizumab, and making significant milestone payments in connection with regulatory approval and commercial milestones as well as royalty payments. We are party to an exclusive license agreement with Biocon, pursuant to which we initially acquired an exclusive license to develop, make, have made, use, sell, have sold, offer for sale, import and otherwise exploit itolizumab and any pharmaceutical composition or preparation containing or comprising itolizumab in the United States and Canada and which was later amended to grant us the same exclusive license in Australia and New Zealand as

well, or, collectively, the Equillium Territory. We are obligated, under this agreement, to achieve certain development milestones within specified timeframes in order to retain all of the licensed rights. Certain of such milestones are largely outside of our control. We are also obligated to use commercially reasonable efforts to develop and seek regulatory approval ~~for~~ **of**, and if regulatory approval is obtained, to commercialize, itolizumab in the Equillium Territory and to secure funding for the development of itolizumab in two or more indications. Further, we are obligated to make certain cash milestone payments to Biocon upon completion of certain regulatory approval and commercial milestones and are required to pay royalties to Biocon on net sales of itolizumab, if approved. Though we believe that the royalty rates and milestone payments are reasonable in light of our business plan, we will require large amounts of capital to satisfy these obligations. We may become obligated to make a milestone payment when we do not have the cash on hand to make such payment, which could require us to delay our clinical studies, curtail our operations, scale back our commercialization and marketing efforts or seek funds to meet these obligations on terms unfavorable to us. In addition, if we are unable to make any payment when due or, if we fail to achieve the development milestones within the timeframes required by the license agreement, or to satisfy our general diligence obligation to use commercially reasonable efforts to develop, register and commercialize itolizumab and to secure funding for the development of itolizumab in two or more indications, Biocon may have the right to limit the scope of our license or terminate the agreement and all of our rights to develop and commercialize itolizumab. We are and may become further dependent on Ono for funding the clinical development and commercialization of itolizumab (EQ001). If Ono terminates our Asset Purchase Agreement, does not exercise its option, or does not achieve the milestones specified in the Asset Purchase Agreement, our business and financial condition would be adversely impacted. In December 2022, we entered into the Asset Purchase Agreement with Ono pursuant to which we granted Ono the exclusive option to acquire our rights to itolizumab (EQ001), which option expires three months following the delivery of topline data from the EQUALISE clinical study in LN and interim data from the EQUATOR Phase 3 clinical study in aGVHD. During the option period, we **are** ~~will be~~ responsible for conducting all research and development of itolizumab (EQ001), which **is** ~~will be~~ funded by Ono on a quarterly basis commencing July 1, 2022. If Ono fails to provide such funding, our financial condition and ability to conduct continued research and development of itolizumab (EQ001) would be adversely affected. In the event that Ono exercises its option to acquire our rights to itolizumab (EQ001), we would no longer control the clinical development and potential commercialization of itolizumab (EQ001). Per the Asset Purchase Agreement and depending on Ono' s election, we may conduct and be compensated for certain activities on Ono' s behalf, but we would not control any itolizumab (EQ001) activities. Ono would be responsible for filing future applications with the FDA or other regulatory authorities for approval of itolizumab (EQ001) and will be the owner of any marketing approvals **of** ~~issued by the FDA or other regulatory authorities for~~ itolizumab (EQ001) **issued by the FDA or other regulatory authorities**. If the FDA or other regulatory authorities approve itolizumab (EQ001), Ono would also be responsible for the launch, marketing and sale of the resulting product. However, we cannot control whether Ono will devote sufficient attention and resources to the clinical development of itolizumab (EQ001) or will proceed in an expeditious manner. Even if the FDA or other regulatory agencies approve itolizumab (EQ001), Ono may elect not to proceed with the commercialization of the resulting product in one or more countries. If the development of itolizumab (EQ001) does not progress for these or any other reasons, we would be prevented from obtaining further revenues, including certain development and commercialization milestones, from itolizumab (EQ001) and from otherwise realizing the benefit of such transaction, which could harm our business. The development and commercialization of biopharmaceutical products are subject to extensive regulation, and we may not obtain regulatory approvals ~~for~~ **of** our product candidates in any of the indications for which we plan to develop them, or any future product candidates, on a timely basis or at all. The clinical development, manufacturing, labeling, packaging, storage, recordkeeping, advertising, promotion, export, import, marketing, distribution, adverse event reporting, including the submission of safety and other post- marketing information and reports, and other possible activities relating to our current product candidates, as well as any other product candidate that we may develop in the future, are subject to extensive regulation. Marketing approval of a new therapeutic product in the United States requires the submission of an NDA or a BLA to the FDA, and we are not permitted to market any product candidate in the United States until we obtain approval from the FDA for that product. An NDA or BLA must be supported by extensive clinical and preclinical data, as well as extensive information regarding pharmacology, chemistry, manufacturing and controls. Similar submissions are required for approval by the relevant regulatory authority in other territories outside the United States before a therapeutic product can be marketed. FDA and other applicable regulatory approval is not guaranteed, and the review and approval process is an expensive and uncertain process that may take several years. Regulatory authorities, like the FDA, also have substantial discretion in the approval process. The number and types of preclinical studies and clinical studies that will be required for approval varies depending on the product candidate, the disease or the condition that the product candidate is designed to treat and the regulations applicable to any particular product candidate. Despite the time and expense associated with preclinical studies and clinical studies, failure can occur at any stage. The results of preclinical and early clinical studies of our product candidates may not be predictive of the results of our later- stage clinical studies. Clinical study failure may result from a multitude of factors including flaws in study design, dose selection, placebo effect, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits, and failure in clinical studies can occur at any stage. Companies in the biopharmaceutical industry frequently suffer setbacks in the advancement of clinical studies due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier studies. Based upon negative or inconclusive results, we may decide, or regulators may require us, to conduct additional clinical studies or preclinical studies. In addition, data obtained from clinical studies are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may further delay, limit or prevent marketing approval. The FDA and other applicable regulatory authorities could delay, limit or deny approval of a product candidate for many reasons, including because they: • may not deem our product candidate to be adequately safe and effective; • may not agree that the data collected from clinical studies are acceptable or sufficient to support the submission of a BLA, NDA or other submission or to

obtain regulatory approval, and may impose requirements for additional preclinical studies or clinical studies; • may determine that adverse events experienced by participants in our clinical studies represents an unacceptable level of risk; • may determine that population studied in the clinical study may not be sufficiently broad or representative to assure safety in the full population for which we seek approval; • may not accept clinical data from studies, which are conducted at clinical facilities or in countries where the standard of care is potentially different from that of the United States; • may disagree regarding the formulation, labeling and / or the specifications; • may not approve the manufacturing processes or facilities associated with our product candidate; • may change approval policies or adopt new regulations; or • may not accept a submission due to, among other reasons, the content or formatting of the submission. Generally, public concern regarding the safety of biopharmaceutical products could delay or limit our ability to obtain regulatory approval, result in the inclusion of unfavorable information in our labeling, or require us to undertake other activities that may entail additional costs. We have not obtained approval **of any product** from the FDA or any other applicable regulatory authority ~~for any product~~ . This lack of experience may impede our ability to obtain FDA or any other applicable regulatory approval in a timely manner, if at all, of our product candidates. If we experience delays in obtaining approval or if we fail to obtain approval of any of our product candidates, our commercial prospects will be harmed and our ability to generate revenues will be materially impaired which would adversely affect our business, prospects, financial condition and results of operations. Any delays in the commencement or completion, or termination or suspension, of our ongoing, planned or future clinical studies could result in increased costs to us, delay or limit our ability to raise capital or ~~generate revenue and adversely affect our commercial prospects. Any delays in the commencement or completion, or termination or suspension, of our ongoing, planned or future clinical studies could result in increased costs to us, delay or limit our ability to~~ generate revenue and adversely affect our commercial prospects. Before we can initiate clinical studies of our product candidates in any distinct indication in the United States, we must submit the results of preclinical studies to the FDA along with other information, including information about their chemistry, manufacturing and controls and our proposed clinical study protocol, as part of an IND or similar regulatory filing. To date, we have only submitted INDs for clinical studies of itolizumab (EQ001) for the treatment of aGVHD, LN, and COVID- 19. In addition, there are open INDs for EQ101 in HTLV- I- associated myelopathy / tropical spastic paraparesis, CTCL and AA, which were originally filed by Bioniz prior to our acquisition of the EQ101 asset. Before obtaining marketing approval from the FDA or from any other applicable regulatory authority outside of the United States for the sale of any of our product candidates in any indication, we must conduct extensive clinical studies to demonstrate the safety and efficacy of those product candidates. Clinical testing is expensive, time consuming and uncertain as to outcome. In addition, we expect to rely in part on preclinical, clinical and quality data generated by our partner, Biocon, as well as contract research organizations, or CROs, and other contracted parties for regulatory submissions for our product candidates. While we have or will have agreements governing these contracted parties' services, we have limited influence over their actual performance. If these parties do not make data available to us, or, if applicable, make regulatory submissions in a timely manner, in each case pursuant to our agreements with them, our development programs may be significantly delayed and we may need to conduct additional studies or collect additional data independently. In either case, our development costs would increase. The FDA and other applicable regulatory authorities may require us to conduct additional preclinical studies of our existing or any future product candidates before they allow us to initiate clinical studies, which may lead to additional delays and increase the costs of our preclinical development programs. Any such delays in the commencement or completion of our ongoing, planned or future clinical studies could significantly affect our product development costs. We do not know whether our ongoing and future studies will be completed on schedule, if at all, or whether our studies will begin on time, if at all. The commencement and completion of clinical studies can be delayed for a number of reasons, including delays related to: • ~~impacts and risks associated with global health epidemics or outbreaks such as those related to COVID- 19; •~~ the FDA or other applicable regulatory authorities disagreeing as to the design or implementation of our clinical studies; • obtaining FDA or other applicable regulatory authorizations to commence a study or reaching a consensus with the applicable FDA regulators on study design; • any failure or delay in reaching an agreement with CROs and clinical study sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and study sites; • obtaining approval from one or more **Institutional Review Boards, or** IRBs; • additional nonclinical pharmacology and toxicology studies to support Phase 2 and 3 clinical studies; • IRBs refusing to approve, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing their approval of the study; • changes to clinical study protocol; • clinical sites deviating from study protocol or dropping out of a study; • manufacturing sufficient quantities of product candidate or obtaining sufficient quantities of combination therapies for use in clinical studies; • subjects failing to enroll or remain in our study at the rate we expect, or failing to return for post- treatment follow- up; • subjects choosing an alternative treatment, or participating in competing clinical studies; • lack of adequate funding to continue the clinical study; • **cost of preclinical research and testing being greater than anticipated or greater than our available financial resources; •** subjects experiencing severe or unexpected drug- related adverse effects; • occurrence of serious adverse events in studies of the same class of agents conducted by other companies; • selection of clinical end points that require prolonged periods of clinical observation or analysis of the resulting data; • a facility manufacturing our product candidates or any of their components being ordered by the FDA (or its own regulatory authorities if such facility is located outside the United States) to temporarily or permanently shut down or cease export of such materials due to violations of **current good manufacturing practice, or** cGMP **,** regulations or other applicable requirements, changes in export restrictions and controls, or infections or cross- contaminations during the manufacturing process; • any changes to our manufacturing process that may be necessary or desired **; • impacts and risks associated with global health epidemics or outbreaks** ; • third-party clinical investigators losing the licenses or permits necessary to perform our clinical studies, not performing our clinical studies on our anticipated schedule or consistent with the clinical study protocol, **Good Clinical Practices, or** GCP, or other regulatory requirements; • ~~us, or our contractors not performing~~ data collection or analysis in ~~a~~ **an** ~~timely~~ **untimely** or ~~accurate~~

inaccurate manner or ~~improperly~~ -- **improper** ~~disclosing~~ **disclosure of** data prematurely or otherwise in violation of a clinical study protocol **by us or our contractors** ; or • our contractors becoming debarred or suspended or otherwise penalized by the FDA or other government or regulatory authorities for violations of regulatory requirements, in which case we may need to find a substitute contractor, and we may not be able to use some or all of the data produced by such contractors in support of our marketing applications. We could also encounter delays if a clinical study is **modified,** suspended or terminated by us, by the IRBs of the institutions in which such studies are being conducted, by a Data Safety Monitoring Board for such study or by the FDA or by other regulatory agencies or health authorities that have jurisdiction in countries in which the study is being conducted. Such authorities may impose such a suspension or termination **, or a modification to our study protocol,** due to a number of factors, including failure to conduct the clinical study in accordance with regulatory requirements or our clinical protocols, inspection of the clinical study operations or study site by the FDA or other regulatory agencies resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a pharmaceutical, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical study. In addition, changes in regulatory requirements and policies may occur, and we may need to amend clinical study protocols to comply with these changes. Amendments may require us to resubmit our clinical study protocols to IRBs for reexamination, which may impact the costs, timing or successful completion of a clinical study. Certain of our scientific advisors or consultants who receive compensation from us are likely to be investigators for our future clinical studies. Under certain circumstances, we may be required to report some of these relationships to the FDA or other regulatory agencies. The FDA or other regulatory agencies may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the clinical study. The FDA or other applicable regulatory agency may therefore question the integrity of the data generated at the applicable clinical study site and the utility of the clinical study itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or other regulatory agencies and may ultimately lead to the denial of marketing approval of our product candidates in one or more indications. If we experience delays in the completion of, or termination of, any clinical study of our product candidates, the commercial prospects of such product candidate will be harmed, and our ability to generate product revenues will be delayed. Moreover, any delays in completing our clinical studies will increase our costs, slow down our development and approval process and jeopardize our ability to commence product sales and generate revenues from product sales which may harm our business, financial condition, results of operations and prospects significantly. If we experience delays or difficulties in enrolling patients in our ongoing or planned clinical studies, our receipt of necessary regulatory approval could be delayed or prevented. We may not be able to continue our ongoing or initiate our future clinical studies of our product candidates if we are unable to identify and enroll a sufficient number of eligible patients to participate in these studies as required by the FDA or other applicable regulatory authorities. Multiple factors could contribute to such challenges of enrolling our clinical studies, including impacts related to ~~the COVID- 19 pandemic or other~~ public health epidemics or outbreaks, which have ~~already~~ **previously** adversely impacted enrollment in our clinical studies. In addition, some of our competitors may have ongoing clinical studies for product candidates that would treat the same indications as our product candidates, and patients who would otherwise be eligible for our clinical studies may instead enroll in clinical studies of our competitors' product candidates. Patient enrollment is also affected by other factors, including: • severity of the disease under investigation; • our ability to recruit clinical study investigators of appropriate competencies and experience; • invasive procedures required to obtain evidence of the product candidate' s performance during the clinical study; • availability and efficacy of approved medications for the disease under investigation; • eligibility criteria defined in the protocol for the study in question; • the size of the patient population required for analysis of the study' s primary endpoints; • perceived risks and benefits; • efforts to facilitate timely enrollment in clinical studies; • reluctance of physicians to encourage patient participation in clinical studies; • the ability to monitor patients adequately during and after treatment; • our ability to obtain and maintain patient consents; ~~and~~ • proximity and availability of clinical study sites for prospective patients **; and • impacts and risks associated with global health epidemics or outbreaks** . Our inability to enroll and retain a sufficient number of patients for our clinical studies would result in significant delays or may require us to abandon one or more clinical studies altogether. Enrollment delays in our clinical studies may result in increased development costs, which would cause the value of our company to decline and limit our ability to obtain additional financing ~~. The COVID- 19 global pandemic, or other actual or threatened public health epidemics or outbreaks, may continue to adversely impact our business, including our clinical studies, and could further impact other aspects of our business including our supply chain, personnel, and our business development activities, the magnitude and extent of which are uncertain. Our clinical studies have been and may continue to be affected by the coronavirus and remains a significant risk that enrollment of all of our active clinical studies and the timing of data from those studies may be adversely impacted by the COVID- 19 pandemic. Clinical site initiation and patient enrollment in our current and future clinical studies may be delayed due to prioritization of hospital resources toward the coronavirus. Patients in our ongoing or planned clinical studies may also choose to not enroll, not participate in follow- up clinical visits or drop out of the study as a precaution against contracting the coronavirus. Further, some patients may not be able or willing to comply with clinical study protocols if quarantines impede patient movement or interrupt healthcare services. Similarly, our ability to recruit and retain principal investigators and site staff who, as healthcare providers, may have heightened exposure to the coronavirus, may be adversely impacted. These events could delay our clinical studies, increase the cost of completing our clinical studies and negatively impact the integrity, reliability or robustness of the data from our clinical studies. Quarantines, shelter- in- place and similar government orders, or the perception that such orders, shutdowns or other restrictions on the conduct of business operations could occur, related to the coronavirus or other infectious diseases could impact personnel at third- party manufacturing facilities upon which we rely, or the availability or cost of materials, which could disrupt the supply chain for our clinical studies. In particular, certain of our service providers involved in clinical studies are located in regions that have been subject to coronavirus- related actions and policies that limit the conduct of normal~~

~~business operations. To the extent our suppliers and service providers are unable to comply with their obligations under our agreements with them or they are otherwise unable to deliver or are delayed in delivering goods and services to us due to the coronavirus, our ability to continue advancing development of our product candidates may become impaired. The spread of the coronavirus, or other infectious diseases and actions taken to reduce their spread may also materially affect us economically. While the potential economic impact brought by, and the duration of, the coronavirus or other infectious diseases may be difficult to assess or predict, there could be a significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity and financial position. Despite progress in the administration of vaccines, the extent to which the outbreak of coronavirus variants and any related containment and mitigation measures that have been or may in the future be put into place across the globe, may impact our clinical studies, our supply chain, our access to capital and our business development activities, will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the duration of the pandemic, the scope and magnitude of any resurgence in the outbreak due to variants of the virus, the efforts by governments and businesses to contain the pandemic and any resurgences, business closures or business disruptions and the impact on the economy and capital markets~~ . Adverse side effects or other safety risks associated with our product candidates could delay or preclude approval, cause us to suspend or discontinue clinical studies, abandon further development, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any. As is the case with pharmaceuticals generally, it is likely that there may be side effects and adverse events associated with our product candidates in our ongoing and future clinical studies as well as in clinical studies, investigator- initiated studies, **and commercial** ~~or off- label~~ usage in jurisdictions where itolizumab is available commercially. EQ101 has been well- tolerated with no dose limiting toxicities or infusion reactions reported in subjects that have been dosed in prior studies completed by Bioniz, including healthy volunteers, subjects with large granular lymphocyte leukemia and CTCL. Our Phase 2 clinical study of EQ101 in subjects with AA is currently ongoing ~~as is our Phase 1 first- in- human clinical study of EQ102 in healthy volunteers~~ . Based on our current limited clinical experience with itolizumab (EQ001), expected adverse events include lymphopenia, injection site reactions, infusion- / injection- related reactions (including fever and headache), and other systemic hypersensitivity reactions including rash, urticaria, erythema, and pruritus. The most common adverse drug reactions that have been identified from the itolizumab (EQ001) clinical programs were injection site reactions (designated an identified risk) with SC administration and lymphopenia (designated an important identified risk). Additionally, infection has been designated as an important potential risk. Lymphopenia events were common treatment emergent adverse events reported across itolizumab (EQ001) studies. A decrease in lymphocyte count is a known pharmacodynamic marker of itolizumab (EQ001). These events were generally transient following the first dose, did not decline with continued dosing, and resolved when itolizumab (EQ001) treatment was withdrawn. Further, the declines in lymphocyte count were not associated with infection or other clinical sequelae. Biocon may also continue to support the use of ALZUMAb ~~or ALZUMAb~~ - L in their own sponsored clinical studies, off- label use, investigator- initiated studies, or third party- sponsored studies over which we have no control. For example, Biocon is studying itolizumab in ulcerative colitis as part of a Phase 2 clinical study being conducted in India, which Equillium is collaborating and co- funding. Given such ongoing usage of itolizumab by Biocon or third parties, there is a risk that adverse events may impact our ability to conduct clinical development and successfully commercialize itolizumab (EQ001). Further, there is a risk that any such adverse events are not properly reported, which may also adversely impact our business. Although itolizumab (EQ001) and ALZUMAb share the same primary monoclonal antibody sequence, they are manufactured in different cell lines and thus could be considered different biopharmaceutical products. Therefore, clinical results seen with ALZUMAb may have no bearing on results, including adverse events, that may be seen with itolizumab (EQ001). Through the date of the filing of this Annual Report on Form 10- K, we are not aware of any meaningful change in the benefit- to- risk profile of itolizumab. Results of our clinical studies could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics. Undesirable side effects caused by our product candidates could result in the delay, suspension or termination of clinical studies by us, the FDA or other applicable regulatory authorities for a number of reasons. Additionally, a material percentage of patients in our aGVHD clinical studies may die from this disease, possibly as a result of itolizumab (EQ001), which could impact development of itolizumab (EQ001). If we elect or are required to delay, suspend or terminate any clinical study, the commercial prospects of our product candidates will be harmed and our ability to generate product revenues from this product candidate will be delayed or eliminated. Serious adverse events observed in clinical studies could hinder or prevent market acceptance of our product candidates. Any of these occurrences may harm our business, prospects, financial condition and results of operations significantly. Moreover, if any of our product candidates are associated with undesirable side effects in clinical studies or have characteristics that are unexpected, we may elect to abandon or limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk- benefit perspective, which may limit the commercial expectations for our product candidates, if approved. We may also be required to modify our study plans based on findings in our clinical studies. Many product candidates that initially showed promise in early - stage testing have later been found to cause side effects that prevented further development. In addition, regulatory authorities may draw different conclusions or require additional testing to confirm these determinations. It is possible that as we test our product candidates in larger, longer and more extensive clinical studies, including with different dosing regimens, or as the use of our product candidates becomes more widespread following any regulatory approval, illnesses, injuries, discomforts and other adverse events that were observed in earlier studies, as well as conditions that did not occur or went undetected in previous studies, will be reported by patients. If such side effects become known later in development or upon approval, if any, such findings may harm our business, financial condition, results of operations and prospects significantly. In addition, if any of our product candidates receives marketing approval, and we or others later identify undesirable side effects caused by that approved product or any related products, a number of potentially significant negative consequences could result, including: • regulatory authorities may withdraw approval of the approved

product; • we may be required to recall a product or change the way the approved product is administered to patients; • regulatory authorities may require additional warnings on the label, such as a " black box " warning or a contraindication, or issue safety alerts, " Dear Healthcare Provider " letters, press releases or other communications containing warnings or other safety information about the product; • we may be required to implement a Risk Evaluation and Mitigation Strategy, or REMS, or create a medication guide outlining the risks of such side effects for distribution to patients; • additional restrictions may be imposed on the marketing or promotion of the particular product or the manufacturing processes for the product or any component thereof; • we could be sued and held liable for harm caused to patients; • the approved product could become less competitive; and • our reputation may suffer. Any of these events could prevent us from achieving or maintaining market acceptance of any of our product candidates, if approved, and could significantly harm our business, financial condition, results of operations and prospects. Interim, topline or preliminary data from our clinical studies that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data. From time to time, we may publicly disclose preliminary or topline data from our **preclinical and** clinical studies, which is based on a preliminary analysis of then- available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline results that we report may differ from future results of the same **preclinical and** clinical studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our ~~clinical~~ studies. Interim data from ~~clinical~~ studies that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or by our competitors could result in volatility in the price of our common stock. Further, others, including regulatory agencies, 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 the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical study is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular biopharmaceutical product, biopharmaceutical product candidate or our business. If the topline 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~~ **of**, and commercialize, our product candidates may be harmed, which could harm our business, operating results, prospects or financial condition. In the past, we have conducted clinical studies of itolizumab (EQ001) outside of the United States, and we are and may in the future continue to use sites outside of the United States for clinical studies of EQ101 ~~, EQ102~~ and itolizumab (EQ001), including our Phase 3 pivotal clinical study of itolizumab (EQ001) in aGVHD, as well as possibly for clinical studies of any other product candidates. The FDA may not accept data from such studies, in which case our development plans will be delayed, which could materially harm our business. In the fourth quarter of 2017, Biocon completed a Phase 1 clinical study of itolizumab (EQ001) in healthy subjects in Australia to assess the safety and tolerability of the SC version of itolizumab (EQ001). The study also included a separate stage to compare the pharmacokinetics of the IV administration of itolizumab (EQ001) to ALZUMAb and determine the absolute bioavailability of SC itolizumab (EQ001), but this stage was terminated early due to the occurrence of an initial decrease in lymphocyte counts and transient lymphopenia. We submitted this data to the FDA as part of our IND submissions for the conduct of clinical studies for the treatment of aGVHD, LN and COVID-19. However, it is possible that the FDA will not authorize us to proceed with clinical studies in connection with any future IND submissions in other indications that have different patient populations and we may be required to conduct additional Phase 1 clinical studies, which would be costly and time consuming, and delay aspects of our development plan, which could harm our business. We have utilized sites in Australia and New Zealand for a Phase 1b clinical study of itolizumab (EQ001) in uncontrolled moderate to severe asthma, and we have utilized sites in India for a Phase 1b clinical study of itolizumab (EQ001) in lupus and LN. Also, we are utilizing sites from a variety of countries outside of the United States in our pivotal Phase 3 clinical study of itolizumab (EQ001) in aGVHD, including sites in Europe, Asia and elsewhere. Our Phase 2 clinical study of EQ101 in subjects with AA **is** ~~and our Phase 1 first- in- human clinical study of EQ102 in healthy volunteers and subjects with celiac disease are both~~ being conducted in Australia **and New Zealand**. Although the FDA may accept data from clinical studies conducted entirely outside the United States and not under an IND, acceptance of such clinical study data is generally subject to certain conditions. For example, the FDA requires the clinical study to have been conducted in accordance with GCPs, and the FDA must be able to validate the data from the clinical studies through an onsite inspection if it deems such inspection necessary. In addition, when clinical studies are conducted only at sites outside of the United States, the FDA generally does not provide advance comment on the clinical protocols for the studies, and therefore there is an additional potential risk that the FDA could determine that the study design or protocol for a non- U. S. clinical study was inadequate, which would likely require us to conduct additional clinical studies. Conducting clinical studies outside the United States also exposes 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; and • diminished protection of intellectual property in some countries. We may not be successful in our

efforts to expand our pipeline by identifying additional indications for which to test our product candidates in the future. We may expend our limited resources to pursue a particular indication for a product candidate and fail to capitalize on other product candidates or indications that may be more profitable or for which there is a greater likelihood of success. Our translational biology program may initially show promise in identifying additional indications for which our product candidates may have therapeutic benefit, yet this may fail to yield additional clinical development opportunities for our product candidates for a number of reasons, including, our product candidates may, on further study, be shown to have harmful side effects, limited to no efficacy or other characteristics that indicate that it is unlikely to receive marketing approval and achieve market acceptance in such additional indications. Research programs to identify additional indications for our product candidates require substantial technical, financial and human resources. Because we have limited financial and managerial resources, we must prioritize our research programs and will need to focus our development efforts on the potential treatment of certain, limited indications. As a result, we may forego or delay pursuit of opportunities with other indications or for any future product candidates, or divest product candidates that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending toward developing our product candidates for specific indications may not yield any approved or commercially viable products. If we do not accurately evaluate the commercial potential or target market for our product candidates, we may pursue indications that are less attractive and may also relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate. Even if we receive regulatory approval ~~for~~ **of** any of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, any of our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products. Any regulatory approvals ~~that we receive for any~~ of our product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post- marketing testing, including Phase 4 clinical studies, and surveillance to monitor the safety and efficacy of the product candidate. In addition, if the FDA approves any product candidate, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and record keeping for the product will be subject to extensive and ongoing regulatory requirements, which can be costly and time consuming. These requirements include submissions of safety and other post- marketing information and reports, registration, as well as continued compliance with cGMPs and GCPs, for any clinical studies that we conduct post- approval. We must incur significant expenses and spend time and effort to ensure compliance with these complex regulations. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, undesirable side effects caused by the product, problems encountered by our contracted manufacturers or manufacturing processes, or failure to comply with regulatory requirements, either before or after product approval, may result in, among other things: • restrictions on the marketing or manufacturing of the product; • requirements to include additional warnings on the label; • requirements to create a medication guide outlining the risks to patients; • withdrawal of the product from the market; • voluntary or mandatory product recalls; • requirements to change the way the product is administered or for us to conduct additional clinical studies; • fines, warning letters or holds on clinical studies; • refusal by the FDA to approve pending applications or supplements to approved applications filed by us or our strategic partners, or suspension or revocation of product license approvals; • product seizure or detention, or refusal to permit the import or export of products; • injunctions or the imposition of civil or criminal penalties; and • harm to our reputation. Additionally, if any product candidate receives marketing approval, the FDA could require us to adopt a REMS to ensure that the benefits of the therapy outweigh its risks, which may include, among other things, a medication guide outlining the risks for distribution to patients and a communication plan to health care practitioners. Any of these events could prevent us from achieving or maintaining market acceptance of the product or the particular product candidate at issue and could significantly harm our business, prospects, financial condition and results of operations. In addition, if we have any product candidate approved, our product labeling, advertising and promotion will be subject to regulatory requirements and continuing regulatory review. The FDA strictly regulates the promotional claims that may be made about biopharmaceutical products. In particular, a product may not be promoted for uses that are not approved by the FDA as reflected in the product' s approved labeling. If we receive marketing approval for a product candidate, physicians may nevertheless prescribe it to their patients in a manner that is inconsistent with the approved label. If we are found to have promoted such off- label uses, we may become subject to significant liability. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off- label uses, and a company that is found to have improperly promoted off- label uses may be subject to significant sanctions. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off- label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. The FDA' s policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. 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 and we may not achieve or sustain profitability, which would adversely affect our business, prospects, financial condition and results of operations. Even if our product candidates receive marketing approval in any indication, they may fail to achieve the degree of market acceptance by physicians, patients, hospitals, healthcare payors and others in the medical community necessary for commercial success. If any of our product candidates receive marketing approval in any one or more indication, it may nonetheless fail to gain sufficient

market acceptance by physicians, patients, third- party payors and others in the medical community. If they do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance, if approved for commercial sale in any indication, will depend on a number of factors, including: • efficacy and potential advantages compared to alternative treatments; • our ability to offer the approved product for sale at competitive prices; • convenience and ease of administration compared to alternative treatments; • the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies; • the strength of marketing and distribution support; • potential product liability claims; • the timing of market introduction as well as competitive biopharmaceutical products; • the effectiveness of our or any of our potential future sales and marketing strategies; • unfavorable publicity; • sufficient third- party payor coverage and adequate reimbursement; • the willingness of patients to pay all, or a portion of, out- of- pocket costs associated with our products in the absence of sufficient third- party coverage and adequate reimbursement; and • the prevalence and severity of any side effects. We currently have no marketing and sales organization and have no experience as a company in commercializing products, and we may have to invest significant resources to develop these capabilities. If we are unable to establish marketing and sales capabilities or enter into agreements with contracted third parties to market and sell any of our approved products, we may not be able to generate product revenue. We have no internal sales, marketing or distribution capabilities, nor have we commercialized a product. If any of our product candidates ultimately receives regulatory approval, we may not be able to effectively market and distribute it. We may have to seek collaborators or invest significant amounts of financial and management resources to develop internal sales, distribution and marketing capabilities, some of which will be committed prior to any confirmation that any of our product candidates will be approved, if at all. We may not be able to enter into collaborations or hire consultants or external service providers to assist us in sales, marketing and distribution functions on acceptable financial terms, or at all. In addition, our product revenues and our profitability, if any, may be lower if we rely on contracted parties for these functions than if we were to market, sell and distribute our products ourselves. We likely will have limited control over such contracted parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. Even if we determine to perform sales, marketing and distribution functions ourselves, we could face a number of additional related risks, including: • we may not be able to attract and build an effective marketing department or sales force; • the cost of establishing a marketing department or sales force may exceed our available financial resources and the revenue generated by any approved product candidates; and • our direct sales and marketing efforts may not be successful. We face substantial competition, which may result in others discovering, developing or commercializing products more quickly or marketing them more successfully than us. If their product candidates are shown to be safer or more effective than ours, then our commercial opportunity will be reduced or eliminated. The development and commercialization of new products is highly competitive. We compete in the segments of the pharmaceutical, biotechnology and other related markets that develop drugs and biologics for the treatment of immuno-inflammatory diseases. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop, or that would render any products that we may develop obsolete or non-competitive. Our competitors also may obtain marketing approval ~~for~~ **of** their products more rapidly than we may obtain approval ~~for~~ **of** ours, which could result in our competitors establishing a strong market position before we are able to enter the market. We are aware that other products addressing the same indications as EQ101, ~~EQ102~~ **EQ302** and itolizumab (EQ001) are in development, and some have been approved. For the treatment of AA, Eli Lilly and Company **has received FDA approval of Olumiant, and Pfizer Inc. has** recently received FDA approval of ~~Olumiant~~ **Litfulo** . Other private and public companies involved in AA drug development include Arcutis Biotherapeutics, Inc., ASLAN Pharmaceuticals Limited **, Bristol- Myers Squibb Company** , Concert Pharmaceuticals, Inc. (acquired by Sun Pharmaceutical Industries Ltd.), Forte Biosciences, Inc., Horizon Therapeutics plc **(acquired by Amgen Inc.), Inmagene Biopharmaceuticals Co. Ltd.** , Legacy Healthcare, **Nektar Therapeutics, Ornovi Inc.,** Pfizer **Inc., Q32 Bio** Inc., Reistone Biopharma, Zelgen Biopharmaceuticals Co., Ltd., and Zura Bio Limited. There are no approved products for celiac disease. Private and public companies with development programs targeting celiac disease include **Amgen Inc.,** Anokion SA, Calypso Biotech BV **(acquired by Novartis AG)** , Chugai Pharmaceutical Co., Ltd., IGY Immune Technologies & Life Sciences Inc., Immunic, Inc., ImmunogenX, Inc., Protagonist Therapeutics, Inc., ~~Provention Bio, Selecta Biosciences, Theriva Biologics, Inc.,~~ Takeda Pharmaceuticals **, Teva Pharmaceuticals, Topas Therapeutics GmbH** , and Zedira GmbH. There are no FDA- approved therapies indicated as a first- line treatment of aGVHD. Second- line therapy consists of off- label immunosuppressives for which the therapeutic benefit has not been established, and Incyte Corporation' s ruxolitinib which was approved for the treatment of steroid refractory aGVHD in 2019. Other private and public companies with development programs in first- line and steroid refractory aGVHD, ~~including~~ **include** AltruBio, Inc., ASC Therapeutics, CSL Behring LLC, Cynata Therapeutics Limited, ElsaLys Biotech, **Evive Biotech (subsidiary of Yifan Pharmaceutical Co., Ltd.),** Humanigen, Inc., Maat Pharma SA, Medac GmbH, Mesoblast Limited, Shenzhen Xbiome Biotech, Co., Ltd., **TR1X Inc.,** VectivBio Holding AG **(acquired by Ironwood Pharmaceuticals, Inc.), ViGenCell Inc.** , and Zelgen Biopharmaceuticals Co., Ltd. There are currently two approved therapies for the treatment of LN: GlaxoSmithKline' s Benlysta, approved in 2020, and Aurinia Pharmaceuticals' Lupkynis, approved in January 2021. Other private and public companies involved in LN drug development include ~~Amgen Inc.,~~ AstraZeneca plc ~~, Boehringer Ingelheim GmbH, Bristol- Myers Squibb Company~~ , Corestem Co., Ltd., CSL Behring LLC, Genentech Inc., Jansen Pharmaceutical Companies of Johnson & Johnson, Kezar Life Sciences **, Inc., Nkarta** , Inc., Novartis AG, Omeros Corporation and Vera Therapeutics, Inc. Many of our competitors, such as large pharmaceutical and biotechnology companies like Pfizer Inc. and Eli Lilly and Company, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical studies, conducting clinical studies, obtaining regulatory approvals and marketing approved products than we have. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical study

sites and patient registration for clinical studies, as well as in acquiring technologies complementary to, or necessary for, our programs. In addition, these larger companies may be able to use their greater market power to obtain more favorable distribution and sales- related agreements with third parties, which could give them a competitive advantage over us. Further, as more product candidates within a particular class of biopharmaceutical products proceed through clinical development to regulatory review and approval, the amount and type of clinical data that may be required by regulatory authorities may increase or change. Consequently, the results of our clinical studies for product candidates in those classes will likely need to show a risk benefit profile that is competitive with or more favorable than those products and product candidates in order to obtain marketing approval or, if approved, a product label that is favorable for commercialization. If the risk benefit profile is not competitive with those products or product candidates, we may have developed a product that is not commercially viable, that we are not able to sell profitably or that is unable to achieve favorable pricing or reimbursement. In such circumstances, our future product revenues and financial condition would be materially and adversely affected. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early **-** stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical study sites and subject enrollment for clinical studies, as well as in acquiring technologies complementary to, or necessary for, EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) or any future programs. The key competitive factors affecting the success of any of our product candidates are likely to be their efficacy, safety, convenience and availability of reimbursement. If we are not successful in developing, commercializing and achieving higher levels of reimbursement than our competitors, we will not be able to compete against them and our business would be materially harmed. Our current product candidates and any future product candidates for which we intend to seek approval as biologic products may face competition sooner than anticipated. The **Patient Protection and** Affordable Care Act **of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the Affordable Care Act** , includes a subtitle called the **Biologics Price Competition and Innovation Act of 2009, or** BPCIA, which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA- licensed reference biological 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 exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor' s own preclinical data and data from adequate and well- controlled clinical studies to demonstrate the safety, purity and potency of their product. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement BPCIA may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for our biological products. We believe that any of our product candidates approved as a biological product under a BLA should qualify for the 12- year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for biosimilar 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. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non- biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing. If market opportunities for our product candidates are smaller than we believe they are, our potential revenue may be adversely affected and our business may suffer. We only have the rights to itolizumab (EQ001) for the Equillium Territory, and we are focused on the development of itolizumab (EQ001) for ~~immuno-~~ **autoimmune and** inflammatory diseases, with current plans to develop it for the treatment of patients with aGVHD and LN. We have global rights to EQ101 and ~~EQ102~~ **EQ302** and currently have plans to develop those product candidates for **AA** ~~alopecia areata~~ and **gastrointestinal diseases such as** celiac disease, respectively. Our projections of addressable patient populations that have the potential to benefit from treatment with our product candidates are based on estimates and may prove to be incorrect. If any of our estimates are inaccurate, the market opportunities for our product candidates could be significantly diminished and have an adverse material impact on our business. We may not ultimately realize the potential benefits of orphan drug designation for EQ101 or itolizumab (EQ001). EQ101 has been granted orphan drug designation by the FDA and ~~EMA~~ **the European Medicines Agency** for CTCL, and itolizumab (EQ001) has been granted orphan drug designations by the FDA for both the prevention and treatment of aGVHD. The FDA grants orphan designation to drugs that are intended to treat rare diseases with fewer than 200, 000 patients in the United States or that affect more than 200, 000 persons but are not expected to recover the costs of developing and marketing a treatment drug. Orphan drugs do not require prescription drug user fees with a marketing application, may qualify the drug development sponsor for certain tax credits, and may be eligible for a market exclusivity period of seven years (with certain exceptions). However, orphan drug designation neither shortens the development time nor regulatory review time of a product candidate nor gives the candidate any advantage in the regulatory review or approval process. Even if we are awarded marketing exclusivity, the FDA can still approve another drug containing the same active ingredient and used for the same orphan indication if it determines that a subsequent drug is safer, more effective or makes a major contribution to patient care, and orphan exclusivity can be lost if the orphan drug manufacturer is unable to assure that a sufficient quantity of the orphan drug is available to meet the needs of patients with the rare disease or condition. Orphan drug exclusivity may also be lost if the FDA later determines that the initial request for designation was materially defective. In addition, orphan drug exclusivity does not prevent the FDA from approving competing drugs for the same or similar indication containing a different active ingredient. If orphan drug exclusivity is lost and we were

unable to successfully enforce any remaining patents covering our eligible product candidates, we could be subject to biosimilar competition earlier than we anticipate. In addition, if a subsequent drug is approved for marketing for the same or a similar indication as EQ101 or itolizumab (EQ001), we may face increased competition and lose market share regardless of orphan drug exclusivity. Fast - track designation by the FDA may not actually lead to a faster development or regulatory review or approval process. We have received fast - track designation for itolizumab (EQ001) for the treatment of aGVHD and LN. If a product is intended for the treatment of a serious or life- threatening condition and the product demonstrates the potential to address unmet medical needs for this condition, the product sponsor may apply for FDA fast - track designation. Even with fast - track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw fast - track designation if it believes that the designation is no longer supported by data from our clinical development program. Even if we receive marketing approval, we may not be able to successfully commercialize any of our approved products due to unfavorable pricing regulations or third- party coverage and reimbursement policies, which could make it difficult for us to sell any of our approved products profitably. Obtaining coverage and adequate reimbursement approval ~~for~~ **of** a product from a government or other third- party payor is a time- consuming and costly process that could require us to provide supporting scientific, clinical and cost effectiveness data for the use of our approved products to the payor. There may be significant delays in obtaining such coverage and reimbursement for newly approved products, and coverage may be more limited than the purposes for which the product is approved by the FDA. Moreover, eligibility for coverage and reimbursement does not imply that a product will be paid for in all cases or at a rate that covers our costs, including research, development, intellectual property, manufacture, sale and distribution expenses. Interim reimbursement levels for new products, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the product and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost products and may be incorporated into existing payments for other services. Net prices for products may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors, by any future laws limiting pharmaceutical prices and by any future relaxation of laws that presently restrict imports of product from countries where they may be sold at lower prices than in the United States. There is significant uncertainty related to the insurance coverage and reimbursement of newly approved products. Third- party payors often rely upon Medicare coverage policy and payment limitations in setting reimbursement policies, but also have their own methods and approval process apart from Medicare coverage and reimbursement determinations. Decisions regarding the extent of coverage and amount of reimbursement to be provided for any product candidates that we develop will be made on a payor- by- payor basis. One third- party payor' s determination to provide coverage for a drug does not assure that other payors will also provide coverage and adequate reimbursement for the drug. Additionally, a third- party payor' s decision to provide coverage for a therapy does not imply that an adequate reimbursement rate will be approved. Third- party payors are increasingly challenging the price, examining the medical necessity and reviewing the cost- effectiveness of medical products, therapies and services, in addition to questioning their safety and efficacy. Coverage and reimbursement by a third- party payor may depend upon a number of factors, including the third- party payor' s determination that use of a product is: • a covered benefit under its health plan; • safe, effective and medically necessary; • appropriate for the specific patient; • cost- effective; and • neither experimental nor investigational. We cannot be sure that coverage or reimbursement will be available for any product that we commercialize and, if coverage and reimbursement are available, what the level of reimbursement will be. Obtaining adequate reimbursement for our products may be particularly difficult because of the higher prices often associated with branded therapeutics and therapeutics administered under the supervision of a physician. Similarly, because our product candidates are physician- administered injectables, separate reimbursement for the product itself may or may not be available. Instead, the administering physician may be reimbursed for providing the treatment or procedure in which our product is used. Our inability to promptly obtain coverage and adequate reimbursement rates from both government- funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition. Reimbursement may impact the demand for, and the price of, any product for which we obtain marketing approval. Assuming we obtain coverage for a given product by a third- party payor, the resulting reimbursement payment rates may not be adequate or may require co- payments that patients find unacceptably high. Each third- party payor determines whether or not it will provide coverage for a therapy, what amount it will pay the manufacturer for the therapy and on what tier of its list of covered drugs, or formulary, it will be placed. The position on a third- party payor' s formulary, generally determines the co- payment that a patient will need to make to obtain the therapy and can strongly influence the adoption of such therapy by patients and physicians. Patients who are prescribed medications for the treatment of their conditions, and their prescribing physicians, generally rely on third- party payors to reimburse all or part of the costs associated with those medications. Patients are unlikely to use our products unless coverage is provided and reimbursement is adequate to cover all or a significant portion of the cost of our products. Therefore, coverage and adequate reimbursement is critical to new product acceptance. Coverage decisions may depend upon clinical and economic standards that disfavor new products when more established or lower cost therapeutic alternatives are already available or subsequently become available. Additionally, if we or our collaborators develop companion diagnostic tests for use with our product candidates, such tests will be subject to the coverage and reimbursement process separate and apart from the coverage and reimbursement we seek for our product candidates. We expect to experience pricing pressures in connection with the sale of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription medicines, medical devices and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the successful commercialization of new products. ~~Further, the adoption and implementation of any future governmental cost containment or other health reform initiative may result in additional downward pressure on the price that we~~

~~may receive for any approved product.~~ Risks Related to Manufacturing and Our Reliance on Third Parties The manufacture of pharmaceutical products, especially biologics, is complex and we may encounter difficulties in production, distribution and delivery of our product candidates. If CMOs, including Biocon, our exclusive CMO for itolizumab (EQ001), encounter such difficulties, our ability to provide supply of our product candidates for clinical studies, our ability to obtain marketing approval, or our ability to obtain commercial supply of our products, if approved, could be delayed or stopped. We have no experience in biologic manufacturing and do not own or operate, and we do not expect to own or operate, facilities for product manufacturing, storage and distribution, or testing. We are completely dependent on third- party CMOs to fulfill our clinical and commercial supply of our product candidates. However, the process of manufacturing pharmaceutical products, especially biologics, is complex, highly- regulated and subject to multiple risks. Such manufacturing is highly susceptible to product loss due to contamination, equipment failure, improper installation or operation of equipment, vendor or operator error, inconsistency in yields, variability in product characteristics and difficulties in scaling the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions and higher costs. If microbial, viral or other contaminations are discovered at the facilities of our manufacturer, such facilities may need to be closed for an extended period of time to investigate and remedy the contamination, which could delay clinical studies, result in higher costs of drug product and adversely harm our business. In addition, if the facilities of our manufacturer are located outside of the United States, as is the case currently for itolizumab (EQ001) ~~and EQ102~~, the production, distribution and delivery of pharmaceutical products are also subject to the laws and regulations of the country. Any changes in the laws and regulations of another country, or disruptions in production or the supply chain related to geopolitical issues or health pandemics, could delay clinical studies, result in higher costs of drug product and adversely harm our business. Moreover, if the FDA determines that our manufacturer is not in compliance with FDA laws and regulations, including those governing cGMPs, the FDA may deny BLA approval until the deficiencies are corrected or we replace the manufacturer in our BLA with a manufacturer that is in compliance. In addition, there are risks associated with large scale manufacturing for clinical studies or commercial scale including, among others, cost overruns, potential problems with process scale- up, process reproducibility, stability issues, compliance with cGMPs, lot consistency and timely availability and delivery of raw materials. Even if we obtain regulatory approval ~~for~~ **of** our product candidates or any future product candidates, there is no assurance that our CMOs will be able to manufacture the approved product to specifications acceptable to the FDA or other regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the product or to meet potential future demand. Further, our contracted manufacturers may experience manufacturing or shipping difficulties due to resource constraints or as a result of natural disasters, labor disputes, unstable political environments, or public health epidemics ~~such as the COVID- 19 outbreak~~. If our manufacturers are unable to produce sufficient quantities for clinical studies or for commercialization, commercialization efforts would be impaired, which would have an adverse effect on our business, financial condition, results of operations and growth prospects. Scaling up pharmaceutical manufacturing processes, especially biological processes and peptide synthesis, is a difficult and uncertain task, and our CMOs may not have the necessary capabilities to complete the implementation and development process of further scaling up production, transferring production to other sites, or managing its production capacity to timely deliver our supplies of EQ101, ~~EQ102~~ **EQ302**, itolizumab (EQ001) or other future product candidates (including other biologics) or meet product demand. In May 2017, we entered into an exclusive clinical supply agreement with Biocon and have agreed to enter into an exclusive commercial supply agreement with Biocon in the future. Biocon manufactures itolizumab (EQ001) at its FDA regulated facility in Bangalore, India. Our dependence on Biocon subjects us to further risks and uncertainties related to our ability to fulfill our clinical and commercial supply of itolizumab (EQ001). For example, in March 2020, due to the spread of the coronavirus, the Indian government restricted the export of 26 active pharmaceutical ingredients and the medicines made from them. These export restrictions are indefinite and may be **modified or** expanded. If the export restrictions are expanded to include itolizumab (EQ001), our supply of itolizumab (EQ001) may be disrupted, delayed or stopped indefinitely and our ability to continue development of itolizumab (EQ001), including our ongoing clinical studies, may be significantly impacted and may result in higher costs of drug product and adversely harm our business. If Biocon is unable to meet our manufacturing requirements (due to export restrictions or otherwise), it has the discretion to outsource manufacturing to a third party and the joint steering committee may determine to shift manufacturing to a third party. However, transfer of the manufacturing of biologic products to a new contract manufacturer, whether related to itolizumab (EQ001) or any of our current or future product candidates, can be lengthy and involve significant additional costs. Even if we are able to adequately validate and scale- up the manufacturing process with a contract manufacturer, we will still need to negotiate with such contract manufacturer an agreement for commercial supply and it is not certain we will be able to come to agreement on terms acceptable to us, if at all. In addition, Biocon has certain rights to reacquire exclusive manufacturing rights for itolizumab (EQ001), even after a third party has been engaged following shortfalls by Biocon, which may make it difficult and expensive to engage any third- party manufacturer for itolizumab (EQ001) other than Biocon. We rely, and intend to continue to rely, on CROs to conduct our clinical studies and perform some of our research and preclinical studies. If these third parties do not satisfactorily carry out their contractual duties, fail to comply with applicable regulatory requirements or meet expected deadlines, our development programs may be delayed or subject to increased costs or we may be unable to obtain regulatory approval, each of which may have an adverse effect on our business, financial condition, results of operations and prospects. We do not have the ability to independently conduct all aspects of our preclinical testing or clinical studies ourselves. As a result, we are and will be dependent on third parties to conduct our ongoing and future preclinical studies and clinical studies of EQ101, ~~EQ102~~ **EQ302** and itolizumab (EQ001) and any future preclinical studies and clinical studies of any other product candidates. The timing of the initiation and completion of these studies will therefore be partially controlled by such third parties and may result in delays to our development programs. Specifically, we expect CROs, clinical investigators and consultants to play a significant role in the conduct of these studies and the subsequent collection and analysis of data. However,

we will not be able to control all aspects of their activities. Nevertheless, we are responsible for ensuring that each clinical study is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on the CROs and other third parties does not relieve us of our regulatory responsibilities. Should our CROs engage in unethical, illegal, or non- compliant activities, such behavior could adversely impact our business. Further, should we terminate our contractual relationship with a CRO for such improprieties, transitioning to a different CRO may delay, disrupt or otherwise adversely impact the progress of the clinical study. We and our CROs are required to comply with GCP requirements, which are regulations and guidelines enforced by the FDA, for product candidates in clinical development. Regulatory authorities enforce these GCP requirements through periodic inspections of study sponsors, clinical study investigators and clinical study sites. If we or any of our CROs or clinical study sites fail to comply with applicable GCP requirements, the data generated in our clinical studies may be deemed unreliable, and the FDA may require us to perform additional clinical studies before approving our marketing applications. In addition, our clinical studies must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to stop and / or repeat clinical studies, which would delay the marketing approval process. There is no guarantee that any such CROs, clinical study investigators or other third parties on which we rely on will devote adequate time and resources to our development activities or perform as contractually required. If any of these third parties fail to meet expected deadlines, adhere to our clinical protocols or meet regulatory requirements, otherwise performs in a substandard manner, or terminates its engagement with us, the timelines for our development programs may be extended or delayed or our development activities may be suspended or terminated. If our clinical study site terminates for any reason, we may experience the loss of follow- up information on subjects enrolled in such clinical study unless we are able to transfer those subjects to another qualified clinical study site, which may be difficult or impossible. In addition, clinical study investigators for our clinical study may serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or the FDA concludes that the financial relationship may have affected the interpretation of the study, the integrity of the data generated at the applicable clinical study site may be questioned and the utility of the clinical study itself may be jeopardized, which could result in the delay or rejection of any marketing application we submit by the FDA. Any such delay or rejection could prevent us from commercializing EQ101 ~~, EQ102~~, itolizumab (EQ001) or any future product candidates. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors for whom they may also be conducting clinical studies or other biopharmaceutical product development activities that could harm our competitive position. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical studies in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals ~~for~~ **of** EQ101 ~~, EQ102~~, itolizumab (EQ001) or any future product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our products. Our reliance on contracted 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. Because we rely on contracted parties to research, develop, and manufacture our product candidates, we must share trade secrets with them. The need to share 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 confidentiality agreements. Given that our proprietary position is based, in part, on our know- how and trade secrets, a competitor' s independent discovery of our trade secrets or other unauthorized use or disclosure would impair our competitive position and may have a material adverse effect on our business. Agreements with our advisors, employees, contractors and consultants may contain certain limited publication rights. For example, any academic institution that we may collaborate with will likely expect to be granted rights to publish data arising out of such collaboration and any joint research and development programs may require us to share trade secrets under the terms of our research and development or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of our agreements, independent development or publication of information by any of our collaborators. A competitor' s discovery of our trade secrets would impair our competitive position and have an adverse impact on our business. Risks Related to Intellectual Property If we are unable to obtain or protect intellectual property rights covering our product candidates, or if the scope of the intellectual property protection is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and we may not be able to compete effectively in our market. Our success depends in significant part on our, and with respect to itolizumab (EQ001), Biocon' s, ability to establish, maintain and protect patents and other intellectual property rights with respect to our proprietary technologies, research programs, and product candidates, including EQ101, ~~EQ102~~ **EQ302** and itolizumab (EQ001), and operate without infringing the intellectual property rights of others. The patent prosecution process is expensive and time- consuming, and we and our current or future licensors, licensees or partners 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 current and future licensors, licensees or partners will fail to identify patentable aspects of our research or inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Although we enter into confidentiality agreements with parties who have access to patentable aspects of our research and development programs, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, independent contractors, advisors and other third parties, any of these parties may breach these agreements and disclose such results before a patent application is filed, thereby jeopardizing our ability to seek patent protection on technology relating to our research programs. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from or license to third parties and are reliant on our licensors, licensees or partners. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. If our current or future licensors, licensees or partners fail

to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our licensors, licensees or partners 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. There may be significant pressure on the U. S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns. The patent position of biotechnology companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation, resulting in court decisions, including Supreme Court decisions, which have increased uncertainties as to the ability to enforce patent rights in the future. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, allowing foreign competitors a better opportunity to create, develop and market competing product candidates, or vice versa. We cannot be certain that the claims in our pending patent applications directed to our product candidates such as EQ101, ~~EQ102~~ **EQ302** and itolizumab (EQ001), as well as technologies relating to our research programs, will be considered patentable by the United States Patent and Trademark Office, or USPTO, or by patent offices in foreign countries. Furthermore, even if they are unchallenged, patents in our portfolio may not adequately exclude third parties from practicing relevant technology or prevent others from designing around our claims. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors', licensees' or partners' patent rights are highly uncertain. Our and our licensors', licensees' or partners' pending and future patent applications may not result in patents being issued, which protect our technology or products, in whole or in part, or their intended uses, methods of manufacture or formulations, or which effectively prevent others from commercializing competitive technologies and products. The patent examination process may require us or our licensors, licensees or partners to narrow the scope of the claims of our or our licensors', licensees' or partners' pending and future patent applications, which may limit the scope of patent protection that may be obtained. In the past, we have not always been able to obtain the full scope of patent protection we have initially sought in our patent applications, and as described above and as is typical for most biotechnology patent prosecution, we have been required to narrow or eliminate patent claims as part of the patent prosecution process. In addition, some patent applications that we or our licensors have filed have not resulted in issued patents because we or our licensors have abandoned those patent applications as changes in business and / or legal strategies dictated. We cannot assure you that all of the potentially relevant prior art — information that was or is deemed available to a person of skill in the relevant art prior to the priority date of the claimed invention — relating to our patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent from issuing from a pending patent application, and we may be subject to a third party pre- issuance submission of prior art to the USPTO. Even if patents do successfully issue and even if such patents cover our product candidates, third parties may initiate litigation or opposition, interference, re- examination, post- grant review, inter partes review, nullification or derivation action in court or before patent offices, or similar proceedings challenging the validity, enforceability or scope of such patents, which may result in the patent claims being narrowed or invalidated, may allow third parties to commercialize our product candidates and compete directly with us, without payment to us, or limit the duration of the patent protection of our technology and products. The legal threshold for initiating such proceedings may be low, so that even proceedings with a low probability of success might be initiated. 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 current or future product candidates. Our and our licensors', licensees' or partners' patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover the technology. Because patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we or our licensors were the first to file any patent application related to our research programs and product candidates such as EQ101, ~~EQ102~~ **EQ302** and itolizumab (EQ001). Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing our invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license. In addition, patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U. S. filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be open to competition from competitive medications, including biosimilar or generic medications. If we are not able to obtain patent term extension in the United States under the Hatch- Waxman Act and in foreign countries under similar legislation, thereby potentially extending the term of our marketing exclusivity for EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) or any other product candidates that we may identify, our business may be materially harmed. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. We expect to seek extensions of patent terms where these are available in any countries where we are prosecuting patents. This includes in the United States under the Drug Price Competition and Patent Term Restoration Act of 1984, or Hatch- Waxman Act, which permits a patent term extension of up to five years beyond the expiration of the patent. The Hatch- Waxman Act allows a maximum of one patent to be extended per FDA- approved product as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension may also be available in certain foreign countries upon regulatory approval of our product candidates. However, the applicable authorities, including the FDA and USPTO, in the United States, and any equivalent foreign regulatory authority, may not agree with our assessment of whether such extensions are available,

and may refuse to grant extensions to our patents, or may grant more limited extensions than we request. If this occurs, our competitors may take advantage of our investment in development and clinical studies by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case. The degree of future protection for our proprietary rights is uncertain, and we cannot predict: • if and when patents may issue based on our patent applications; • the scope of protection of any patent issuing based on our patent applications; • whether the claims of any patent issuing based on our patent applications will provide protection against competitors; • whether any of the patents we own or license will be found to ultimately be valid and enforceable; • whether or not third parties will find ways to invalidate or circumvent our patent rights; • whether or not others will obtain patents claiming aspects similar to those covered by our patents and patent applications; • whether the patents of others will not have an adverse effect on our business; • whether we will develop additional proprietary technologies or products that are separately patentable; • whether we will need to initiate litigation or administrative proceedings to enforce and / or defend our patent rights which will be costly whether we win or lose; and / or • whether the patent applications that we own or in- license will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries. We depend on intellectual property licensed from Biocon and termination of our license could result in the loss of significant rights, which would harm our business. We currently in- license certain intellectual property that is important to our business from Biocon and, in the future, we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. We rely to some extent on Biocon to file patent applications and to otherwise protect the intellectual property we license from them. We have limited control over these activities or any other intellectual property that may be related to our in- licensed intellectual property. For example, we cannot be certain that such activities by Biocon have been or 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 Biocon initiates an infringement proceeding against a third- party infringer of the intellectual property rights ~~,~~ or ~~defend~~ **defends** certain of the intellectual property that is licensed to us. It is possible that our licensor' s infringement proceeding or defense activities may be less vigorous than had we conducted them ourselves. Furthermore, in- licensed patents may be subject to a reservation of rights by one or more third parties. Further, our existing license with Biocon imposes, and future agreements may also impose, various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with these obligations, we may be required to pay damages and our licensor may have the right to terminate the license, in which event we would not be able to develop or market the products covered by such licensed intellectual property and our competitors or other third parties might be able to gain access to technologies and products that are identical to ours. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. Furthermore, if any current or future licenses terminate, or if the underlying patents fail to provide the intended exclusivity, competitors or other third parties may gain the freedom to seek regulatory approval of, and to market, products identical to ours. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor' s rights. Disputes may also arise between us and our licensor regarding intellectual property subject to a license agreement, including those relating to: • the scope of rights granted under the license agreement and other interpretation- related issues; • whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the license agreement; • our right to sublicense patent and other rights to third parties under collaborative development relationships; • whether we are complying with our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates; and • the allocation of ownership of inventions and know- how resulting from the joint creation or use of intellectual property by our licensors and by us and our partners. In addition, intellectual property or technology license agreements, including our existing agreements, are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. 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 be unable to successfully develop and commercialize the affected product candidates. We are generally also subject to all of the same risks with respect to protection of intellectual property that we license as we are for intellectual property that we own, which are described below. If we or our licensor fail to adequately protect this intellectual property, our ability to commercialize products could suffer. Because our programs may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire, in- license or use these proprietary rights. We may be unable to acquire or in- license any compositions, methods of use, processes or other third- party intellectual property rights from third parties that we identify as necessary for our product candidates. The licensing and acquisition of third- party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third- party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third- party intellectual property rights on terms that would allow us to make an appropriate return on our investment. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and

commercialize products, we may be unable to achieve or maintain profitability. In the future, we may need to obtain additional licenses of third- party technology that may not be available to us or are available only on commercially unreasonable terms, and which may cause us to operate our business in a more costly or otherwise adverse manner that was not anticipated. From time to time we may be required to license technologies relating to our therapeutic research programs from additional third parties to further develop or commercialize our product candidates such as EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) and / or others. Should we be required to obtain licenses to any third- party technology, including any such patents required to manufacture, use or sell our product candidates, such licenses may not be available to us on commercially reasonable terms, or at all. The inability to obtain any third- party license required to develop or commercialize any of our product candidates could cause us to abandon any related efforts, which could seriously harm our business and operations. Any collaboration arrangements that we may enter into in the future may not be successful, which could adversely affect our ability to develop and commercialize our products. Any future collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include that: • collaborators have significant discretion in determining the efforts and resources that they will apply to collaborations; • collaborators may not pursue development and commercialization of our products or may elect not to continue or renew development or commercialization programs based on study or test results, changes in their strategic focus due to the acquisition of competitive products, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities; • collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates; • a collaborator with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities; • we could grant exclusive rights to our collaborators that would prevent us from collaborating with others; • collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability; • disputes may arise between us and a collaborator that causes the delay or termination of the research, development or commercialization of our current or future products or that results in costly litigation or arbitration that diverts management attention and resources; • collaborations may be terminated, and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable current or future products; • collaborators may own or co- own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property; and • a collaborator' s sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings. 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 products. We cannot assure you that our operations do not, or will not in the future, infringe existing or future patents. 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 application in the United States and abroad that is relevant to our therapeutic research programs or necessary for the commercialization of our product candidates such as EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) and / or others in any jurisdiction. Numerous U. S. and foreign patents and pending patent applications exist in our market that are owned by third parties, and there may be third- party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our products and / or product candidates that we may identify. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our products. We do not always conduct independent reviews of pending patent applications of and patents issued to third parties. Patent applications in the United States and elsewhere are typically 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. Certain U. S. applications that will not be filed outside the United States can remain confidential until patents issue. In addition, patent applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived. Furthermore, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our products or the use of our products. As such, there may be applications of others now pending or recently revived patents of which we are unaware, potentially relating to our research programs and product candidates such as EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) and others, or their intended uses. These applications may later result in issued patents, or the revival of previously abandoned patents, that will prevent, limit or otherwise interfere with our ability to make, use or sell our products. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent' s prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. We may incorrectly determine that our products are not covered by a third party patent or may incorrectly predict whether a third party' s pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products. We cannot provide any assurances that third party patents do not exist which might be enforced against our current technology, including our research programs, product candidates, which include EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) and others, their respective methods of use, manufacture and formulations thereof, and could result in either an injunction prohibiting our manufacture or future

sales, or, with respect to our future sales, an obligation on our part to pay royalties and / or other forms of compensation to third parties, which could be significant. If we are sued for infringing intellectual property rights of third parties, such litigation could be costly and time consuming and could prevent or delay us from developing or commercializing our product candidates. Our commercial success depends, in part, on our ability to develop, manufacture, market and sell EQ101, ~~EQ102~~ **EQ302** , ~~,~~ and itolizumab (EQ001), and other potential future product candidates without infringing the intellectual property and other proprietary rights of third parties. Third parties may allege that we have infringed or misappropriated their intellectual property. Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time consuming and, even if resolved in our favor, is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. 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 market 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 adequately conduct such litigation or proceedings. 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 and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. We cannot assure you that our operations do not, or will not in the future, infringe existing or future patents. There is a substantial amount of intellectual property litigation in the biotechnology and pharmaceutical industries, and we may become party to, or threatened with, litigation or other adversarial proceedings regarding intellectual property rights with respect to our product candidates. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our product candidates. Third parties may assert infringement claims against us based on existing or future intellectual property rights. The pharmaceutical and biotechnology industries have produced a significant number of patents, and it may not always be clear to industry participants, including us, which patents cover various types of products or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. If we were sued for patent infringement, we would need to demonstrate that our product candidates, products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Proving invalidity may be difficult. For example, in the United States, proving invalidity in court requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel could be diverted in pursuing these proceedings, which could have a material adverse effect on our business and operations. In addition, we may not have sufficient resources to bring these actions to a successful conclusion. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of our confidential information could be compromised by disclosure. If we are found to infringe a third party' s intellectual property rights, we could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing product candidate or product. Alternatively, we may be required to obtain a license from such third party in order to use the infringing technology and continue developing, manufacturing or marketing the infringing product candidate. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non- exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, and could divert the time and attention of our technical personnel and management, cause development delays, and / or require us to develop non- infringing technology, which may not be possible on a cost- effective basis, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful. Competitors may infringe our patents, trademarks, copyrights or other intellectual property that relate to our current and future product candidates, including EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) and others, their respective methods of use, manufacture and formulations thereof. To counter infringement or unauthorized use, we or our licensor may be required to file infringement claims, which can be expensive and time consuming and divert the time and attention of our management and scientific personnel. Any claims we or our licensor assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents, in addition to counterclaims asserting that our patents are invalid or unenforceable, or both. In patent litigation in the United States, defendant counterclaims alleging invalidity and / or unenforceability are commonplace, and the outcome following legal assertions of invalidity and unenforceability is unpredictable. In any patent infringement proceeding, there is a risk that a court will decide that a patent that we own or have licensed is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent' s claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention. An adverse outcome in a litigation or proceeding involving our patents could limit our ability to assert our patents against those parties or other competitors and may curtail or preclude our ability to exclude third parties from making and selling similar or competitive products. Interference or derivation proceedings provoked by third parties or brought by us or declared by the

USPTO may be necessary to determine the 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. For example, an unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms or at all, or if a non- exclusive license is offered and our competitors gain access to the same technology. Our defense of litigation or interference or derivation proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to continue our clinical studies, continue our research programs, license necessary technology from third parties, or enter into development partnerships that would help us bring EQ101, ~~EQ102~~ **EQ302**, itolizumab (EQ001) or other product candidates that we may identify to market. Any of these occurrences could adversely affect our competitive business position, results of operations **,** business prospects and financial condition. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks. Even if we establish infringement, the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. 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 litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our common stock. Moreover, we cannot assure you that we will have sufficient financial or other resources to file and pursue such infringement claims, which typically last for years before they are concluded. Even if we ultimately prevail in such claims, the monetary cost of such litigation and the diversion of the attention of our management and scientific personnel could outweigh any benefit we receive as a result of the proceedings. Because of the expense and uncertainty of litigation, we may not be in a position to enforce our intellectual property rights against third parties. Because of the expense and uncertainty of litigation, we may conclude that even if a third party is infringing our issued patent relating to our research programs and product candidates, any patents that may be issued as a result of our pending or future patent applications or other intellectual property rights, the risk- adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our stockholders. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non- litigious action or solution. We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties. We employ individuals who previously worked with other companies, including our competitors or potential competitors. We could in the future be subject to claims that we or our employees, consultants, or independent contractors have inadvertently or otherwise used or disclosed alleged trade secrets or other confidential information of current or former employers or competitors. Although we try to ensure that our employees, consultants and independent contractors do not use the intellectual property, proprietary information, know- how or trade secrets of others in their work for us, we may become subject to claims that we caused an individual to breach the terms of his or her non- competition or non-solicitation agreement, or that we or these individuals have, inadvertently or otherwise, used or disclosed the alleged trade secrets or other proprietary information of a current or former employer or competitor. While we may litigate to defend ourselves against these claims, even if we are successful, litigation could result in substantial costs and could be a distraction to management and other employees. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using technologies or features that are essential to our product candidates, including EQ101, ~~EQ102~~ **EQ302** or itolizumab (EQ001), if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the current or former employers. Moreover, any such litigation or the threat thereof may adversely affect our reputation, our ability to form strategic alliances or sublicense our rights to collaborators, engage with scientific advisors or hire employees or consultants, each of which would have an adverse effect on our business, results of operations and financial condition. We may not be able to protect our intellectual property rights throughout the world. Filing, prosecuting and defending all current and future patents in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection but enforcement is not as strong as that in the United States. These products may compete with our product candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. The legal systems of many foreign countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights. For example, some foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. **Further, the complexity and uncertainty of European patent laws have increased in recent years.** In Europe, ~~expected by~~ the ~~end of~~ **new unitary patent system that came into effect in June** 2023 **would significantly impact European patents, including those granted before the introduction of such a system. Under the unitary patent system**, European applications

will ~~soon~~ have the option, upon grant of a patent, of becoming a Unitary Patent which will be subject to the jurisdiction of the Unitary Patent Court, or UPC ~~. This will be a significant change in European patent practice~~. As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation. ~~It is our initial belief~~ **Patents granted before the implementation of the UPC will have the option of opting out of the jurisdiction of the UPC and remaining as national patents in the UPC countries. Patents** that **remain under the jurisdiction of** the UPC ~~, while offering~~ **will be potentially vulnerable to** a ~~cheaper streamlined process~~ **single UPC- based revocation challenge that** , ~~has~~ **if successful, could invalidate the patent in all countries who are signatories to the UPC. We cannot predict with certainty the long- term effects of any** potential **changes** ~~disadvantages to patent holders, such as making a single European patent vulnerable in all jurisdictions when challenged in a single jurisdiction. Given the present uncertainty, we plan to opt out of the UPC where we are able~~. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. Obtaining and maintaining patent protection depends on compliance with various procedural, document submissions, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. Periodic maintenance fees, renewal fees, annuities fees and various other governmental fees on patents and / or patent applications are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent and / or patent application. The USPTO and various foreign governmental patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non- compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non- payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our research programs and product candidates such as EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) and others as well as their respective methods of use, manufacture and formulations thereof, our competitive position would be adversely affected, as, for example, competitors might be able to enter the market earlier than would otherwise have been the case. We may rely on trade secret and proprietary know- how which can be difficult to trace and enforce and, if we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. In addition to seeking patents for some of our technology and product candidates, we may also rely on trade secrets, including unpatented know- how, technology and other proprietary information, to maintain our competitive position with respect to our research programs and product candidates. Elements of our product candidates, including processes for their preparation and manufacture, may involve proprietary know- how, information, or technology that is not covered by patents, and thus for these aspects we may consider trade secrets and know- how to be our primary intellectual property. Any disclosure, either intentional or unintentional, by our employees, the employees of third parties with whom we share our facilities or third party consultants and vendors that we engage to perform research, clinical studies or manufacturing activities, or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Trade secrets and know- how can be difficult to protect. We require our employees to enter into written employment agreements containing provisions of confidentiality and obligations to assign to us any inventions generated in the course of their employment. We and any third parties with whom we share facilities enter into written agreements that include confidentiality and intellectual property obligations to protect each party' s property, potential trade secrets, proprietary know- how, and information. We further seek to protect our potential trade secrets, proprietary know- how, and information in part, by entering into non- disclosure and confidentiality agreements with parties who are given access to them, such as our corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. With our consultants, contractors, and outside scientific collaborators, these agreements typically include invention assignment obligations. However, we cannot be certain that such agreements have been entered into with all relevant parties, and we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Moreover, 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. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products that we consider proprietary. 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 United States are less willing or unwilling to protect trade secrets. Trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. Trade secrets will over time be disseminated within the industry through independent development, the publication of journal articles and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. Though our agreements with third parties typically restrict the ability of our advisors, employees, collaborators, licensors, suppliers, third- party contractors and consultants to publish data potentially relating to our trade secrets, our agreements may contain certain limited publication rights. Because from time to time we expect to rely on third parties in the development, manufacture, and distribution of our

products and provision of our services, we must, at times, share trade secrets with them. Despite employing the contractual and other security precautions described above, the need to share trade secrets 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. 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. We may become subject to claims challenging the inventorship or ownership of our patents and other intellectual property. We or our licensor may be subject to claims that former employees, consultants, independent contractors, collaborators or other third parties have an interest in our patents or other intellectual property as an owner, co- owner, inventor or co- inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidates or as a result of questions regarding co- ownership of potential joint inventions. In addition, while it is our policy to require our employees, consultants, advisors, contractors and other third parties who may be involved in the conception or development of intellectual property rights to execute agreements assigning such intellectual property rights to us, we or our licensors may be unsuccessful in executing such agreements with each party who, in fact, conceives or develops intellectual property rights that we regard as our own. The assignment of intellectual property rights may not be self- executing or sufficient in scope, or the assignment agreements may be breached. Furthermore, individuals executing agreements with us may have preexisting or competing obligations to a third party, such as an academic institution, and thus an agreement with us or our licensors may be ineffective in perfecting ownership of inventions developed by that individual. Litigation may be necessary to resolve these and other claims challenging inventorship and / or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time. Patent rights are of limited duration. In the United States, the natural expiration of a patent is generally 20 years after its first effective non-provisional filing date. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such product candidates are commercialized. Even if patents covering our product candidates are obtained, once the patent life has expired for a product, we may be open to competition from biosimilar or generic products. A patent term extension based on regulatory delay may be available in the United States. However, only a single patent can be extended for each marketing approval, and any patent can be extended only once, for a single product. Moreover, the scope of protection during the period of the patent term extension does not extend to the full scope of the claim, but instead only to the scope of the product as approved. Laws governing analogous patent term extensions in foreign jurisdictions vary widely, as do laws governing the ability to obtain multiple patents from a single patent family. Additionally, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. **Further, recent judicial decisions in the United States raised questions regarding the award of patent term adjustment (PTA) for patents in families where related patents have issued without PTA. Thus, it cannot be said with certainty how PTA will be viewed in the future and whether patent expiration dates may be impacted.** If we are unable to obtain patent term extension or restoration, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our product will be shortened and our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially. If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected. We currently have two U. S. trademark registrations for EQUILLIUM respectively covering Classes 5 and 42, and one Canadian trademark registration for EQUILLIUM covering both Classes 5 and 42. Our current or future trademarks or trade names may be challenged, infringed, circumvented or declared generic or descriptive determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During trademark registration proceedings, we may receive rejections. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively, and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. 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. For example: • others may be able to make product candidates that are similar to ours but that are not covered by the claims of the patents that we own or have exclusively licensed; • we or our licensors or future collaborators

might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or have exclusively licensed; • we or our licensors or future collaborators might not have been the first to file patent applications covering certain of our 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 patent applications will not lead to issued patents; • issued patents that we own or have exclusively licensed may be held invalid or unenforceable, as a result of legal challenges by our competitors; • our competitors might conduct research and development activities 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; and • the patents of others may have an adverse effect on our business. Should any of these events occur, they could significantly harm our business, financial condition, results of operations and prospects. Risks Related to Employees, Managing Our Growth and Other Legal Matters We are highly dependent on the services of our key personnel. We are highly dependent on the services of our key personnel, Bruce D. Steel, who serves as our President and Chief Executive Officer and Stephen Connelly, Ph. D., who serves as our Chief Scientific Officer. Although we have entered into agreements with them regarding their employment, they are not for a specific term and each of them may terminate their employment with us at any time, though we are not aware of any present intention of any of these individuals to leave us. We expect to expand our development, regulatory and operational capabilities and, as a result, we may encounter difficulties in managing our growth, which could disrupt our operations. As of December 31, ~~2022~~ **2023**, we had ~~36~~ **44** full- time employees. As we advance the clinical development of EQ101 ~~, EQ102~~ and itolizumab (EQ001), and potentially other product candidates, we expect to experience significant growth in the number of our employees and the scope of our operations across a variety of areas including non- clinical research, clinical development, quality, regulatory affairs, pharmacovigilance, manufacturing and supply chain, as well as general and administrative functions. If EQ101, ~~EQ102~~ **EQ302**, itolizumab (EQ001), or any future product candidates receive marketing approval, we would expect to add employees in sales, marketing and distribution. To manage our anticipated future growth, we must: • identify, recruit, integrate, maintain and motivate additional qualified personnel; • identify and lease additional facilities; • manage our development efforts effectively, including the initiation and conduct of clinical studies for EQ101, ~~EQ102~~ **EQ302**, itolizumab (EQ001) and any future product candidates; and • improve our operational, financial and management controls, reporting systems and procedures. Our future financial performance and our ability to develop, manufacture and commercialize our product candidates will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert financial and other resources, and a disproportionate amount of its attention away from day- to- day activities in order to devote a substantial amount of time, to managing these growth activities. We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain CROs, CMOs, other contract service providers, advisors and consultants to provide certain services, including assuming substantial responsibilities for the conduct of our ongoing and future clinical studies and the manufacture of EQ101, ~~EQ102~~ **EQ302**, itolizumab (EQ001) and any future product candidates. We cannot assure you that the services of such contract service providers, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by our vendors or consultants is compromised for any reason, our clinical studies may be extended, delayed or terminated, and we may not be able to obtain marketing approval of our product candidates or otherwise advance our business. We cannot assure you that we will be able to properly manage our existing vendors or consultants or find other competent outside vendors and consultants on economically reasonable terms, or at all. If we are not able to effectively expand our organization by leasing additional facilities, hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals. Our future success depends on our ability to retain key employees, consultants and advisors and to attract, retain and motivate qualified personnel. Our industry has experienced a high rate of turnover in recent years. Our ability to compete in the highly competitive biopharmaceuticals industry depends upon our ability to attract, retain and motivate highly skilled and experienced personnel with scientific, medical, regulatory, manufacturing and management skills and experience. We conduct our operations primarily in the Greater San Diego Area region that is home to many other biopharmaceutical companies as well as many academic and research institutions, resulting in fierce competition for qualified personnel. We may not be able to attract or retain qualified personnel in the future due to the intense competition for a limited number of qualified personnel among biopharmaceutical companies. Many of the other biopharmaceutical companies against which we compete have greater financial and other resources, different risk profiles and a longer history in the industry than we do. Our competitors may provide higher compensation, more diverse opportunities and / or better opportunities for career advancement. Any or all of these competing factors may limit our ability to continue to attract and retain high quality personnel, which could negatively affect our ability to successfully develop and commercialize our product candidates and to grow our business and operations as currently contemplated. Third- party expectations relating to environmental, social and governance factors may impose additional costs and expose us to new risks. In recent years, there has been an increased focus from certain investors, employees and other stakeholders concerning corporate responsibility, specifically related to environmental, social and governance, or ESG, factors. Third- party providers of ESG ratings and reports on companies have increased in number, resulting in varied and, in some cases, inconsistent standards. Topics taken into account in such assessments include, among others, the company' s efforts and impacts with respect to climate change and human rights, ethics and compliance with the law, and the role of the company' s board of directors in supervising various sustainability issues. Some investors may use third- party ESG ratings and reports to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our ESG practices are inadequate. The criteria by which companies' ESG practices are assessed are evolving, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. Alternatively, if we elect not to or are

unable to satisfy new criteria or do not meet the criteria of a specific third- party provider, some investors may conclude that our policies with respect to ESG are inadequate and choose not to invest in us. If our ESG practices do not meet evolving investor or other stakeholder expectations and standards, then our reputation, our ability to attract or retain employees and our desirability as an investment or business partner could be negatively impacted. Similarly, our failure or perceived failure to adequately pursue or fulfill our goals and objectives or to satisfy various reporting standards within the timelines we announce, or at all, could expose us to additional regulatory, social or other scrutiny of us, the imposition of unexpected costs, or damage to our reputation, which in turn could have a material adverse effect on our business, financial condition, cash flows and results of operations and could cause the market value of our common stock to decline. Our employees, clinical study investigators, CROs, consultants, vendors and any potential commercial partners may engage in misconduct or other improper activities, including non- compliance with regulatory standards and requirements and insider trading. We are exposed to the risk of fraud or other misconduct by our employees, clinical study investigators, CROs, consultants, vendors and any potential commercial partners. Misconduct by these parties could include intentional, reckless and / or negligent conduct or disclosure of unauthorized activities to us that violates: (i) FDA laws and regulations or those of comparable foreign regulatory authorities, including those laws that require the reporting of true, complete and accurate information, (ii) manufacturing standards, (iii) federal and state health and data privacy, security, fraud and abuse, government price reporting, transparency reporting requirements, and other healthcare laws and regulations in the United States and abroad, (iv) sexual harassment and other workplace misconduct, or (v) laws that require the true, complete and accurate reporting of financial information or data. Such misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and cause serious harm to our reputation. We have adopted a code of conduct applicable to all of our employees, as well as a disclosure program and other applicable policies and procedures, but it is not always possible to identify and deter employee misconduct, 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 comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from government funded healthcare programs, such as Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional integrity reporting and oversight obligations, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. ~~Our internal~~ **If our** information technology systems, or those of our CROs or other ~~contractors~~ **third parties upon which we rely, or** ~~or~~ **our** ~~consultants~~ **data are or were compromised** , ~~may fail~~ **we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of** ~~or~~ **our** ~~suffer security breaches,~~ **business operations; reputational harm;** loss ~~or leakage~~ of ~~data~~ **revenue or profits;** and other ~~disruptions, which could result in a material disruption of our development programs, compromise sensitive information related to our business or prevent us from accessing critical information, potentially exposing us to liability or otherwise adversely~~ -- **adverse consequences** ~~affecting our business~~ . In the ordinary course of our business, we ~~may~~ collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, ~~processing~~ --- **process**) ~~proprietary, confidential, and sensitive data, including~~ personal data ~~(such as health~~ **and other sensitive information, including proprietary and confidential business data, data we collect about trial participants in connection with clinical studies, sensitive third** - ~~related and biometric personal~~ **party data, business plans, transactions, financial** information ~~)~~ , intellectual property, and trade secrets (collectively, sensitive information). **As a result, we and the third parties upon which we rely face a variety of evolving threats that could cause security incidents. Cyberattacks, malicious internet- based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive data and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including 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. Some actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation- sate 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 ability to produce, sell and distribute our goods and services.** We ~~may~~ **and the third parties upon which we** rely ~~upon~~ **Threat actors,personnel,sophisticated nation- states,and nation- state- supported actors now engage and** are **expected to continue to engage in cyberattacks,including for geopolitical and / or military reasons.Specifically,we and the third parties we rely on may be vulnerable to a heightened risk of cyberattacks that could materially disrupt our systems and operations,supply chain,and ability to produce,sell and distribute our goods and services.We and the third parties we rely on may be** subject to a variety of evolving threats,including but not limited to social- engineering attacks (including through ~~deep fakes,which may be 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,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, ~~attacks enhanced or facilitated by AI,~~ telecommunications failures,earthquakes,fires,floods,and other similar threats. ~~In particular,severe ransomware~~ **Ransomware** attacks **,including by organized criminal threat actors,nation- states,and nation- state- supported actors,** are becoming increasingly prevalent **and severe** and can lead to significant

interruptions in our operations, ~~ability to provide our products or services,~~ loss of **data** ~~sensitive information~~ 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. **Similarly** ~~Remote work has become more common and has increased risks to our information technology systems and data,as more of our employees utilize network connections,computers,and devices outside our premises or network,including working at home,while in transit and in public locations.Additionally,future or past business transactions (such as acquisitions or integrations) could expose us to~~ third- party service providers **could introduce new cybersecurity risks and vulnerabilities, including supply- chain attacks, and other threats to our business operations. We rely on third- party service providers** and technologies to operate critical business systems to process sensitive ~~information~~ **data** in a variety of contexts, including, without limitation, ~~third- party providers of~~ cloud- based infrastructure, **data center facilities,** encryption and authentication technology, employee email, **human capital management, document management, preclinical research, clinical studies including data management, biostatistics, and safety reporting, manufacturing of drug product,** and other functions **. We also rely on third- party service providers to provide other products, services, parts, or otherwise to operate our business** . Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. **If** ~~We may share or~~ **our** ~~receive sensitive information with or from~~ third ~~parties. Cyberattacks, malicious internet~~ - **party service providers experience** ~~based activity, and online and offline fraud are prevalent and continue to increase. These threats are becoming increasingly difficult to detect. These threats come from~~ a **security incident** ~~variety of sources, including traditional computer " hackers, " threat actors, and persons with authorized access to our~~ - **or** ~~systems (~~ **other interruption, we could experience adverse consequences. 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** ~~as through mistakes, theft, or misuse)~~ . **In addition** Threat actors, personnel, sophisticated nation..... or regulations prohibiting such payments. 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 compromised ~~or~~ **. While we have implemented security measures designed to protect against security incidents, there can be no assurance** that ~~they do not contain exploitable~~ **these measures will be effective. We take steps designed to** ~~defects~~ - **detect** ~~or bugs that could result~~ **, mitigate, and remediate vulnerabilities** in ~~a breach of or disruption to~~ our information ~~technology~~ systems (**such as our hardware and / or software). We may not, however, detect and remediate all such vulnerabilities** including **on a timely basis** ~~our products and services) or the third- party information technology systems that support us and our services~~ . ~~Furthermore~~ ---- **Further** , ~~the COVID- 19 pandemic~~ **we may experience delays in developing** and **deploying remedial measures** ~~our remote workforce poses increased risks to our information technology systems~~ and ~~data, as more of our employees work from home, utilizing network connections outside our premises~~ **patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident** . Any of the previously identified or similar threats could cause a security incident or other interruption, ~~which~~ **that** could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information **or our information technology systems, or those of the third parties upon whom we rely** . A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our products and services. We may expend significant resources or modify our business activities (including our clinical study activities) to try to protect against security incidents. **Additionally,** ~~Certain~~ **certain** data privacy and security obligations may require us to implement and maintain specific security measures, **or** industry- standard or reasonable security measures **designed** to protect our information technology systems and sensitive information. ~~There can be no assurance that the security measures we and our third- party suppliers have implemented will be effective. We are not always able to detect vulnerabilities in our security controls, systems, or software (including third- party software we have installed on our systems). Further, we may experience delays in deploying remedial measures designed to address any such identified vulnerabilities. Efforts to identify and remediate vulnerabilities, if any, in our information technology systems or software (including third- party software we have installed on our systems) may not be successful.~~ Applicable data privacy and security obligations may require us to notify relevant stakeholders **, including affected individuals, customers, regulators, and investors** 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 **, such as** ~~. These consequences may include:~~ government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and / or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; **; diversion of management attention;** interruptions in our operations (including the delay of development and commercialization of our product candidates); financial loss; and other similar harms. Security incidents and attendant consequences that we or our third party providers could experience may **prevent or** cause customers to stop using our products and services, deter new customers from using our products and services, 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 data 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. Additionally, sensitive data of the company could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel' s, or vendors' use of generative AI technologies. We are subject to stringent and ~~changing~~ **evolving U. S. and foreign laws, regulations, and rules, contractual obligations, industry standards, 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. Our data processing activities, including **acquisition and processing of** information from study participants, ~~may~~ subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual ~~provisions~~ **requirements** , and other obligations **relating to** ~~that govern the processing of personal~~ data **privacy** ~~by us~~ and **security** ~~on our behalf~~ . In the United States, **federal, state, and local governments have enacted** numerous ~~federal~~ **data privacy** and ~~state~~ **security** laws ~~and regulations~~ , including ~~federal health information privacy laws, state~~ data breach notification laws, **personal data** ~~state health information~~ privacy laws, ~~and federal and state~~ consumer protection laws **(e. g.** , ~~that govern~~ **Section 5 of t** ~~the~~ **he** ~~collection~~ **Federal Trade Commission Act)** , ~~use, disclosure, and protection of health-related~~ and other **similar laws (e. g., wiretapping laws)** ~~personal information could apply to our operations or the operations of our collaborators~~ . In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical study data) that are subject to privacy and security requirements under the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH. Depending on the facts and circumstances, we could be subject to **penalties, including** criminal penalties **,** if we knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA- covered entity in a manner that is not authorized or permitted by HIPAA. **In** ~~Additionally,~~ the **past few years, numerous U. S. states — including** California ~~Consumer~~ **, Virginia, Colorado, Connecticut, and Utah — have enacted comprehensive** ~~Privacy~~ **privacy laws that** ~~Act of 2018, or CCPA, imposes~~ **impose certain** obligations on covered businesses **,** ~~and could impact our operations. These obligations include~~ **including** ~~, but are not limited to,~~ providing specific disclosures in privacy notices and affording ~~California~~ residents **with** certain rights **concerning** ~~related to~~ their personal data. **As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt- out of certain data processing activities, such as targeted advertising, profiling, and automated decision- making.** The ~~CCPA~~ **exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws** ~~allows~~ **allow** for statutory fines for noncompliance ~~(up to $ 7, 500 per violation) and a private right of action for certain breaches~~ . ~~In addition~~ **For example** , **the California Consumer Privacy Act of 2018, as amended by** the California Privacy Rights Act of 2020, **collectively** ~~or CPRA, effective January 1, 2023, will expand~~ the CCPA ~~. Additionally~~ , ~~the CPRA establishes a new~~ **applies to personal data of consumers, business representatives, and employees who are** California **residents, and requires businesses to provide specific disclosures in** ~~Privacy~~ **privacy notices** ~~Protection Agency to implement~~ and ~~enforce the~~ **honor requests of such individuals to exercise certain privacy rights. The** ~~CPRA~~ **CCPA provides for fines of up to $ 7** , ~~which could~~ **500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA increases compliance costs and potential liability with respect to other personal data we maintain about California residents. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. While these states, like the CCPA, may also exempt some data processed in the context of clinical trials, these developments may further complicate compliance efforts, and** increase ~~the~~ **legal** risk ~~of enforcement.~~ **and compliance costs for us and** ~~Other~~ -- **the third parties upon whom we rely** ~~states have enacted data privacy laws. For example, Virginia, Colorado, Utah, and Connecticut, all have passed privacy laws that became effective in 2023~~ . Additionally, several states and localities, as well as foreign jurisdictions, have enacted statutes banning or restricting the collection of biometric information. We ~~collect biometric data~~ **use identity verification technologies** that may subject us to biometric privacy laws. For example, the Illinois Biometric Information Privacy Act, or BIPA, regulates the collection, use, safeguarding, and storage of biometric information. BIPA provides for substantial penalties and statutory damages and ~~have~~ **has** generated significant class action activity, and the cost of litigating and settling any claims that we have violated BIPA or similar laws could be significant. **In addition to litigation, regulators, such as the Federal Trade Commission (FTC), have indicated that use of biometric technologies (including facial recognition technologies) may be subject to additional scrutiny. Our employees and personnel may use generative artificial intelligence, or AI, technologies to perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws regulating generative AI. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages.** Outside the United States, an increasing number of laws, regulations, and industry standards ~~apply to~~ **may govern** data privacy and security ~~, and could apply to our operations~~ . For example, the European Union' s General Data Protection Regulation, or EU GDPR, ~~and~~ the United Kingdom' s GDPR, or UK GDPR **, India' s Information Technology Act and supplementary rules, and Australia' s Privacy Act** , impose strict requirements for processing personal data. For example, under ~~the EU~~ GDPR, **companies** ~~government regulators~~ may ~~impose~~ **face** temporary or definitive bans on data processing, ~~as well as~~ **and other corrective actions;** fines of up to 20 million ~~euros~~ **Euros under the EU GDPR, 17. 5 million pounds sterling under the UK GDPR** or **, in each case,** 4 % of annual global revenue, whichever is greater **; or private** ~~. Further, individuals may initiate~~ litigation related to processing of ~~their~~ personal data **brought by classes of data subjects or**

consumer protection organizations authorized at law to represent their interests . ~~Certain~~ **In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries due to data localization requirements or limitations on cross- border data flows. Europe and other** jurisdictions have enacted **laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the United Kingdom (UK) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their** 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 or in other foreign jurisdictions). Existing mechanisms that facilitate cross- border personal data transfers may change or be invalidated. The European Commission released a set of " Standard Contractual Clauses, " or SCCs, that are a valid mechanism to transfer personal data outside of the EEA, but there exists some uncertainty regarding whether the SCCs will remain a valid mechanism. Additionally, the SCCs impose additional compliance burdens, such as conducting transfer impact assessments to determine whether additional security measures are necessary to protect the at- issue personal data. In addition, the UK similarly restricts personal data transfers outside of those jurisdictions to countries, such as the United States, that do not provide an~~ **and** ~~adequate level of personal data protection, and certain countries outside Europe (e. g. China) have also passed or are considering laws requiring local data residency or otherwise impeding the transfer of personal data across borders, any of which could increase the cost and complexity of doing business. The inability to import personal data to the United States could significantly and negatively impact our business operations, including by limiting our ability to conduct clinical study activities in Europe and elsewhere; limiting our ability to collaborate with parties that are subject to such~~ cross- border data transfer ~~or localization~~ laws ~~; or requiring us~~ **. Although there are currently various mechanisms that may be used** to **transfer** ~~increase our~~ personal data **from the EEA and UK to the United States in compliance with law, such as the EEA' s standard contractual clauses, the UK' s International Data Transfer Agreement / Addendum and the EU- U. S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U. S.- based organizations who self- certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the United States, or if the requirements for a legally- compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data** processing **activities to other** ~~capabilities and infrastructure in foreign~~ jurisdictions **(such as Europe)** at significant expense **, increased exposure** ~~. Although we endeavor~~ to ~~comply~~ **regulatory actions, substantial fines and penalties, the inability to transfer data and work** with ~~all applicable~~ **partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activities groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers of personal data out of Europe for allegedly violating the GDPR' s cross- border data transfer limitations. In addition to** data privacy and security **laws, we are contractually subject to industry standards adopted by industry groups and may become subject to such** obligations **in the future** ~~, we may at times fail to do so (or be perceived to have failed to have done so)~~ . ~~Moreover~~ **We are also bound by other contractual obligations related to data privacy and security** , ~~despite~~ **and** our efforts ~~, our personnel or third parties upon whom we rely on may fail~~ to comply with such obligations **may not be successful. We publish privacy policies, marketing materials, and other statements, such as compliance with certain certifications or self- regulatory principles, 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, enforcement actions by regulators, or other adverse consequences. Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf. We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations** , which could negatively impact our business operations ~~and compliance posture~~ . **If we** ~~For example, any failure by a~~ third ~~- party processor~~ **parties on which we rely fail, or are perceived** to **have failed, to address or** comply with applicable **data privacy and security** ~~law, regulations, or contractual~~ obligations **, we** could **face significant consequences** ~~result in adverse effects~~ , including ~~inability to or interruption in our ability to operate our business and proceedings against us by governmental entities or others. Consequences for our failure to comply may include,~~ but ~~are~~ not limited to ~~,~~ **:** government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- ~~related~~ **action** claims) **and mass arbitration demands** ; additional reporting requirements and / or oversight; bans on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials. **In particular, plaintiffs have become increasingly more active in bringing privacy- related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations.** Any of these events could have **an** ~~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, as relevant, clinical studies); inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or ~~revision~~ **substantial changes to** ~~or~~ **our** ~~restructuring of~~ **business model** ~~our~~ **or** operations. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited **and as a result, our future tax liability may increase** . As of December 31, ~~2022~~ **2023** , we had aggregate U. S. federal net operating loss, or NOL, carryforwards of approximately $ ~~116~~ **76** . ~~4~~ **9** million ~~. Our U. S. federal NOLs generated in taxable years beginning before January 1, 2018 could expire unused~~ . Under current U. S. federal income tax law, U. S. federal NOLs generated in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such U. S. federal NOLs is generally limited to 80 % of taxable income. It is uncertain if and to what extent various states will conform to the current U. S. federal income tax law. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or IRC, and corresponding provisions of state law, if a corporation undergoes an " ownership change, " which is generally defined as a greater than 50 percentage- point cumulative change (by value) in its equity ownership over a three- year period, the corporation' s ability to use its pre- change NOL carryforwards and other pre- change tax attributes (such as research tax credits) to offset its post- change income or taxes may be limited. **We determined** ~~It is possible~~ that we ~~have~~ experienced one or more ownership changes ~~in~~ **prior to June 30, 2023. However, the ownership changes prior to June 30, 2023, are not expected to significantly impact the Company' s ability to utilize its NOLs and** ~~the other~~ ~~past~~ **tax attributes** . **We** ~~In addition, we~~ may also experience ownership changes in the future as a result of subsequent shifts in our stock ownership some of which may be outside of our control. As a result, our ability to use our pre- ownership change NOL carryforwards to offset U. S. federal taxable income **in the future** (if we earned net taxable income) and any other pre- ownership change tax attributes may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. ~~The Tax Cuts and Jobs Act provides for amendments to IRC Section 174 which beginning in 2022, require taxpayers to capitalize their U. S. based and non- U. S. based research and experimental, or R & E expenditures and amortize them over a period of five or fifteen years, respectively. Additionally, software development costs are specifically included as R & E expenditures under Section 174 (c) (3) and, therefore, will be subject to the same mandatory amortization period of five or fifteen years. Prior to the Tax Cuts and Jobs Act amendment, Section 174 allowed taxpayers to either immediately deduct R & E expenditures in the year paid or incurred or elect to capitalize and amortize over a period of at least 60 months. Section 174, as amended, may have a significant impact to our tax position in future years.~~ We conduct significant operations through our Australian wholly- owned subsidiary. If we lose our ability to operate in Australia, or if our subsidiary is unable to receive the research and development tax credit allowed by Australian regulations, our business and results of operations will suffer. In January 2019, we formed a wholly- owned Australian subsidiary, Equillium Australia Pty Ltd, to initially conduct the clinical development of itolizumab (EQ001) for the treatment of uncontrolled asthma in Australia and New Zealand. That subsidiary **conducted our Phase 1 study of EQ102, which has been completed, and** is also conducting our current clinical ~~studies~~ **study** of EQ101 ~~and EQ102~~ and may conduct further clinical studies in the future. Due to the geographical distance and lack of employees currently in Australia, as well as our lack of experience operating in Australia, we may not be able to efficiently or successfully monitor, develop or commercialize our product candidates in Australia and New Zealand, including conducting clinical studies. Furthermore, we have no assurance that the results of any clinical studies that we conduct for our product candidates in Australia and New Zealand will be accepted by the FDA or other foreign regulatory authorities for development and commercialization approvals. In addition, current Australian tax regulations provide for a refundable research and development tax credit. If we lose our ability to operate Equillium Australia Pty Ltd in Australia, are ineligible or unable to receive the research and development tax credit, ~~or~~ receive a refund that is materially less than our expectations, or if the Australian government significantly reduces or eliminates the tax credit **, or if upon the results of an audit the Australian Taxation Office rules that prior claims were invalid and requires repayment of previous refund amounts** , our financial forecasts could be incorrect and our business and results of operations would be adversely affected. If we fail to comply with U. S. export control and economic sanctions, our business, financial condition and prospects may be materially and adversely affected. Our business and our products are subject to U. S. export control laws and regulations, including the U. S. Export Administration Regulations and economic and trade sanctions regulations administered by the U. S. Treasury Department' s Office of Foreign Assets Control, or OFAC. Our company must comply with these laws and regulations. The antibody sequence for itolizumab (EQ001) is derived from Cuban- origin intellectual property and thus we believe this to be a pharmaceutical of Cuban origin, which would make the import, development and commercialization of itolizumab (EQ001) subject to these laws, sanctions and regulations. We currently rely on a general license issued by OFAC under the Cuban Assets Control Regulations, or CACR, relating to Cuban- origin pharmaceuticals to import and conduct clinical studies relating to itolizumab (EQ001). In the absence of the OFAC general license, all of our development and potential commercialization activities for itolizumab (EQ001) would be prohibited under the CACR, and we would be required to request a specific license from OFAC authorizing such activities, which OFAC could deny. We submitted to OFAC, and subsequently amended and supplemented, a request for interpretive guidance confirming the applicability of the general license to itolizumab (EQ001), or in its absence, a specific license authorization from OFAC authorizing activities relating to the commercialization of itolizumab (EQ001), or the Submission. We simultaneously requested that OFAC treat the Submission as a voluntary disclosure if OFAC concluded that our determination that the general license applies to itolizumab (EQ001) was in error. In November 2019, OFAC notified us that after careful consideration, which included consultation with the FDA, OFAC determined that itolizumab (EQ001) falls within the definition of " Cuban- origin pharmaceutical " and, as such, the general licenses at section 515. 547 (b) and (c) of the CACR authorize the conduct of clinical studies for itolizumab (EQ001) for the purpose of seeking approval ~~for~~ **of** the drug from the FDA. Thus, no further authorization is required from OFAC at this time for our ongoing and future clinical studies of itolizumab (EQ001). Even though OFAC has

concluded that the general license for Cuban- origin pharmaceuticals applies to itolizumab (EQ001), there can be no assurance that the general license will not be revoked or modified by OFAC in the future, or that we will remain in compliance with the general license or other export laws and regulations. If OFAC revokes or modifies the general license, or otherwise determines that the general license does not apply to itolizumab (EQ001), and OFAC then denies our request for a specific license or delays issuance of a specific license, we will be unable to deal in, or otherwise commercialize, itolizumab (EQ001). In that case, we would be required to cease operations related to itolizumab (EQ001), which would materially and adversely affect our financial condition and business prospects. In addition, in the absence of the general or specific license, the transfer, sale and / or purchase of our securities could be prohibited, and the ownership or possession of our securities could be subject to an affirmative OFAC reporting requirement relating to blocked property. Any violations of the CACR or other applicable export control and sanctions laws could subject us and certain of our employees to substantial civil or criminal penalties. Changes in healthcare law and implementing regulations, as well as changes in healthcare policy, may impact our business in ways that we cannot currently predict and may have a significant adverse effect on our business and results of operations. There have been, and continue to be, numerous legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post- approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval. Among policy makers and payors in the United States there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and / or expanding access and the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. The ~~Patient Protection and~~ Affordable Care Act ~~of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the Affordable Care Act,~~ substantially changed the way healthcare is financed by both the government and private insurers, and significantly impacts the U. S. pharmaceutical industry. ~~The~~ **For example, the** Affordable Care Act ~~, among other things~~ : ~~(i) introduced a " average~~ **increased the minimum level of Medicaid rebates payable by** ~~manufacturer~~ **manufacturers** ~~price " calculation~~ **of brand name drugs from 15. 1 % to 23. 1 %; required collection of rebates** for drugs ~~and biologies that~~ **paid by Medicaid- managed** ~~are~~ **care organizations** ~~inhaled, infused, instilled, implanted or injected and that are not generally dispensed through retail community pharmacies~~ ; ~~(ii) increased the minimum Medicaid~~ **imposed a non- deductible annual fee on pharmaceutical manufacturers or importers who sell certain " branded prescription drugs " to specified federal government programs; implemented a new methodology by which** rebates owed by manufacturers under the Medicaid Drug Rebate Program **are calculated** ~~and expanded rebate liability from fee-~~ for **drugs that** ~~- service Medicaid utilization to include the utilization of Medicaid managed care~~ - **are** ~~organizations as well~~ **inhaled, infused, instilled, implanted, or injected** ; ~~(iii) established a branded prescription drug fee that pharmaceutical manufacturers of branded prescription drugs must pay to the federal government; (iv) expanded the list of covered entities eligible to participate in the 340B drug pricing program by adding new entities to the program; (v) established Medicare Part D coverage gap discount program, in which manufacturers currently must agree to offer 70 % point- of- sale discounts off negotiated prices of applicable branded drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer' s outpatient drugs to be covered under Medicare Part D; (vi)~~ expanded eligibility criteria for Medicaid programs ~~by~~ **; created a Patient- Centered Outcomes Research Institute to oversee** , **identify priorities in, and conduct comparative clinical effectiveness research,** ~~among~~ **along** ~~other things, allowing states to offer Medicaid coverage to additional individuals, including individuals~~ with **funding** ~~income at or~~ **for such research** ~~below 133 % of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability~~ ; ~~(vii) created a licensure framework for follow- on biologic products;~~ and ~~(viii)~~ established a Center for Medicare ~~&~~ **and** Medicaid Innovation **, or CMMI,** at the Centers for Medicare & Medicaid Services **, or CMS,** to test innovative payment and service delivery models to lower Medicare and Medicaid **spending, potentially including prescription drug** spending. There have been judicial, Congressional and executive challenges to certain aspects of the Affordable Care Act. For example, on June 17, 2021, the U. S. Supreme Court **dismissed** ~~held in~~ a ~~7- 2 opinion~~ **challenge on procedural grounds** that **argued** the ~~states and individuals challenging the constitutionality of~~ Affordable Care Act **is** ~~do not have standing to challenge the law. The U. S. Supreme Court did not reach the merits of the challenge regarding Affordable Care Act' s constitutionality~~ --- **unconstitutional** , ~~but~~ **in its entirety because** the ~~decision ended the case~~ **" individual mandate " was repealed by Congress** . Further, prior to the U. S. Supreme Court ruling, on January 28, 2021, President Biden issued an executive order that initiated a special enrollment period for purposes of obtaining health insurance coverage through the Affordable Care Act marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the Affordable Care Act. In addition, on August 16, 2022, President Biden signed the **Inflation Reduction Act of 2022, or** IRA **,** into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in Affordable Care Act marketplaces through plan year 2025. The IRA also eliminates the " donut hole " under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out- of- pocket cost and creating a new manufacturer discount program. It is possible that the Affordable Care Act will be subject to judicial or Congressional challenges in the future. It is unclear how any such challenges and the healthcare reform measures of the Biden administration will impact the Affordable Care Act. We are continuing to monitor any changes to the Affordable Care Act that, in turn, may potentially impact our business in the future. Other legislative changes have been proposed and adopted since the Affordable Care Act was enacted. These changes include aggregate reductions to Medicare payments to providers of 2 % per fiscal year pursuant to the Budget Control Act of 2011 and subsequent laws, which began in 2013 and will remain in effect until ~~2031~~ **2032** unless additional Congressional action is taken ~~. Under current legislation the actual reduction in Medicare payments will vary from 1 % in 2022 to up to 4 % in the final fiscal year of this sequester~~ . Additionally, on March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into

law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100 % of a drug' s average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. New laws may result in additional reductions in Medicare and other healthcare funding, which may materially adversely affect customer demand and affordability for our products and, accordingly, the results of our financial operations. Also, there has been heightened governmental scrutiny recently over the manner in which pharmaceutical companies set prices for their marketed products, which have resulted in several Congressional inquiries and proposed **and enacted** federal legislation, as well as state efforts, designed to, among other things, bring more transparency to product 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 drug products. At the federal level, in July 2021, the Biden administration released an executive order, " Promoting Competition in the American Economy, " with multiple provisions aimed at prescription drugs. In response to Biden' s executive order, on September 9, 2021, the Department of Health and Human Services, or HHS, released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. In addition, the IRA, among other things, (1) directs HHS to negotiate the price of certain single- source drugs and biologics covered under Medicare and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions ~~will~~ take effect progressively starting in fiscal year 2023 **. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations** , although ~~they~~ - **the** ~~may be~~ **Medicare drug price negotiation program is currently** subject to legal challenges **. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented** . It is currently unclear how the IRA will be implemented but is likely to have a significant impact on the pharmaceutical industry. Further, **in response to** the Biden administration ~~released an additional~~ **' s October 2022** executive order **,** on ~~October~~ **February** 14, ~~2022~~ **2023** , ~~directing~~ HHS **released** ~~to submit~~ a report **outlining** ~~on how the~~ **three** ~~Center for Medicare and Medicaid Innovation can be further leveraged to test~~ new models for **testing by CMMI which will be evaluated on their ability to** ~~lowering~~ --- **lower** ~~drug~~ **the** ~~costs~~ - **cost** ~~for Medicare~~ **of drugs, promote accessibility,** and ~~Medicaid beneficiaries~~ **improve quality of care** . It is unclear whether **the models** ~~this executive order or similar policy initiatives~~ will be ~~implemented~~ **utilized in any health reform measures** in the future **. Further, on December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march- in rights under the Bayh- Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March- In Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march- in rights. While march- in rights have not previously been exercised, it is uncertain if that will continue under the new framework** . At the state level, individual states in the United States are increasingly active 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. The IRA ~~also included~~ **' s** drug pricing reforms ~~, which~~ have the potential to adversely impact our ability to successfully commercialize our product candidates and could lessen the real or perceived value of our product candidates, which would negatively impact our business. We expect that these and other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that we receive for any approved product. Any reduction in reimbursement from Medicare or other government- funded 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 drugs, once marketing approval is obtained. If any of our services providers are characterized as employees, we would be subject to employment and tax withholding liabilities and other additional costs. We rely on independent contractors to provide certain services to us. We structure our relationships with these outside services providers in a manner that we believe results in an independent contractor relationship, not an employee relationship. An independent contractor is generally distinguished from an employee by his or her degree of autonomy and independence in providing services. A high degree of autonomy and independence is generally indicative of an independent contractor relationship, while a high degree of control is generally indicative of an employment relationship. Tax or other regulatory authorities may challenge our characterization of services providers as independent contractors both under existing laws and regulations and under laws and regulations adopted in the future. We are aware of a number of judicial decisions and legislative proposals that could bring about major changes in the way workers are classified, including the California legislature' s ~~recent~~ passage of California Assembly Bill 5, which California Governor Gavin Newsom signed into law in September 2019, or AB 5, and Assembly Bill 2257, or AB 2257, which went into effect in September 2020 and amended certain portions of AB 5. AB 5 and AB 2257 are often referred to collectively simply as AB 5. AB 5 purports to codify the holding of the California Supreme Court' s unanimous decision in Dynamex Operations West, Inc. v. Superior Court of Los Angeles, which introduced a new test for determining worker classification that is widely viewed as expanding the scope of employee relationships and narrowing the scope of independent contractor relationships. While AB 5 exempts certain licensed health care professionals, including physicians and psychologists, not all of our independent contractors work in exempt occupations. ~~Given AB 5' s recent passage, there~~ **There** ~~is~~ **has been** little guidance from the regulatory authorities charged with ~~its enforcement~~ **enforcing AB 5,** and there is a significant degree of uncertainty regarding its application. In addition, AB 5 has been the subject

of widespread national discussion and it is possible that other jurisdictions might enact similar laws. As a result, there is significant uncertainty regarding what the state, federal and foreign worker classification regulatory landscape will look like in future years. The current economic climate indicates that the debate over worker classification will continue for the foreseeable future. If such regulatory authorities or state, federal or foreign courts were to determine that our services providers are employees and not independent contractors, we would, among other things, be required to withhold income taxes, to withhold and pay Social Security, Medicare and similar taxes, to pay unemployment and other related payroll taxes, and to provide certain employee benefits. We could also be liable for unpaid past taxes and other costs and subject to penalties. As a result, any determination that the service providers we characterize as independent contractors should be classified as employees could adversely impact our business, financial condition and results of operations. We may be subject to applicable foreign, federal and state fraud and abuse, transparency, government price reporting, 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 third- party payors will play a primary role in the recommendation and prescription of any future product candidates for which we obtain marketing approval. Our arrangements with third- party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may affect the business or financial arrangements and relationships through which we conduct research and would market, sell and distribute our products. Even though we do not and will not control referrals of healthcare services or bill directly to Medicare, Medicaid or other third- party payors, federal and state healthcare laws and regulations pertaining to fraud and abuse and patients' rights are and will be applicable to our business. The laws that may affect our ability to operate include, but are not limited to: • the federal Anti- Kickback Statute, which prohibits, among other things, any person or entity from knowingly and willfully soliciting, receiving, offering or paying any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of an item or service reimbursable, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term " remuneration " has been broadly interpreted to include anything of value. The federal Anti- Kickback Statute has also been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other the other hand. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. Additionally, the intent standard under the federal Anti- Kickback Statute was amended by the Affordable Care Act such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the Affordable Care Act codified case law that a claim including items or services resulting from a violation of the federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act, or FCA; • federal civil and criminal false claims laws, such as the FCA which can be enforced by private citizens, on behalf of the government, through civil qui tam actions, and civil monetary penalty laws prohibits individuals or entities from, among other things, knowingly presenting, or causing to be presented, false, fictitious or fraudulent claims for payment or approval by the federal government, including federal health care programs, such as Medicare and Medicaid, and knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim, or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government. In addition, a claim including items or services resulting from a violation of the federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes " any request or demand " for money or property presented to the U. S. government. In addition, manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to " cause " the submission of false or fraudulent claims. Criminal prosecution is also possible for making or presenting a false, fictitious or fraudulent claim to the federal government. Government enforcement agencies and private whistleblowers have investigated pharmaceutical companies for or asserted liability under the FCA for a variety of alleged promotional and marketing activities, such as providing free product to customers with the expectation that the customers would bill federal programs for the product, providing consulting fees and other benefits to physicians to induce them to prescribe products, engaging in promotion for " off- label " uses, and submitting inflated best price information to the Medicaid Rebate Program; • HIPAA, among other things, imposes criminal and civil liability for executing or attempting to execute a scheme to defraud any healthcare benefit program, including private third- party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, in connection with the delivery of or payment for healthcare benefits, items or services. Like the federal Anti- Kickback Statute, the Affordable Care Act amended the intent standard for certain healthcare fraud statutes under HIPAA such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation; • HIPAA, as amended by HITECH and their implementing regulations, which imposes privacy, security and breach reporting obligations with respect to individually identifiable health information upon entities subject to the law, such as health plans, healthcare clearinghouses and certain healthcare providers, known as covered entities, and their respective business associates and their subcontractors that perform services for them that involve individually identifiable health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in U. S. federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions; • the U. S. federal Food, Drug and Cosmetic Act, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices; • the Public Health Service Act, which prohibits, among other things, the introduction of a biological product into interstate commerce without an approved BLA; • federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; • the federal

transparency requirements under the Physician Payments Sunshine Act, created under the Affordable Care Act, which requires, among other things, certain manufacturers of drugs, devices, biologics and medical supplies reimbursed under Medicare, Medicaid, or the Children' s Health Insurance Program to annually report to the Centers for Medicare & Medicaid Services information related to payments and other transfers of value provided to physicians, as defined by such law, other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals and physician ownership and investment interests, including such ownership and investment interests held by a physician' s immediate family members; • state and foreign law equivalents of each of the above federal laws, such as anti- kickback and false claims laws, that may impose similar or more prohibitive restrictions, and may apply to items or services reimbursed by any non- governmental third-party payors, including private insurers; and • state and foreign laws that require pharmaceutical companies to implement compliance programs and comply with the pharmaceutical industry' s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; track and report gifts, compensation and other remuneration provided to physicians, other health care providers, and certain health care entities; report information related to drug pricing; and / or ensure the registration and compliance of sales personnel. In addition, we may be subject to federal, state and foreign laws that govern the privacy and security of health information or personally identifiable information in certain circumstances, including state health information privacy and data breach notification laws which govern the collection, use, disclosure, and protection of health- related and other personal information, many of which differ from each other in significant ways and often are not pre- empted by HIPAA, thus complicating compliance efforts. We have entered into consulting and scientific advisory board arrangements with physicians and other healthcare providers, including some who could influence the use of EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) and any future product candidates, if approved. Because of the complex and far- reaching nature of these laws, regulatory agencies may view these transactions as prohibited arrangements that must be restructured, or discontinued, or for which we could be subject to other significant penalties. We could be adversely affected if regulatory agencies interpret our financial relationships with providers who may influence the ordering of and use of EQ101, ~~EQ102~~ **EQ302** , itolizumab (EQ001) or any future product candidates, if approved, to be in violation of applicable laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies, healthcare providers and other third parties, including charitable foundations, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. It is possible that governmental authorities may conclude that our business practices, including our consulting arrangements with physicians, some of whom ~~receive~~ **received** stock options as compensation for services provided, do not comply with current or future statutes, regulations, agency guidance or case law involving applicable healthcare laws. Responding to investigations can be time and resource- consuming and can divert management' s attention from the business. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. Ensuring that our business arrangements with third parties comply with applicable healthcare laws and regulations will likely be costly. If our operations are found to be in violation of any of these laws or any other current or future governmental laws and regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm, diminished profits and future earnings, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non- compliance with these laws, and the curtailment or restructuring of our operations, any of which could substantially disrupt our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, they may be subject to significant criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. We are subject to certain U. S. and certain foreign anti- corruption, anti- money laundering, export control, sanctions, and other trade laws and regulations. We can face serious consequences for violations. U. S. and foreign anti- corruption, anti- money laundering, export control, sanctions, and other trade laws and regulations, or collectively Trade Laws, prohibit, among other things, companies and their employees, agents, CROs, legal counsel, accountants, consultants, contractors, and other partners from authorizing, promising, offering, providing, soliciting, or receiving, directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences. We have direct or indirect interactions with officials and employees of government agencies or government- affiliated hospitals, universities, and other organizations. We also expect our non- U. S. activities to increase over time. We expect to rely on contract service providers for research, preclinical studies, and clinical studies and / or to obtain necessary permits, licenses, patent registrations, and other marketing approvals. We can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences. Risks Related to Ownership of our Common Stock The stock price of our common stock may be volatile or may decline regardless of our operating performance, and you could lose all or part of your investment. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including: • our operating performance and the performance of other similar companies; • ~~delays or other adverse impacts to our clinical studies from global health epidemics or outbreaks, such as those related to COVID- 19; •~~ our ability to enroll and retain subjects in our ongoing and future clinical studies; • results from our ongoing and future clinical studies with our current and future product candidates, and the results of the clinical studies of our competitors or of Biocon; • adverse events observed in our clinical studies or in the clinical studies, exploratory studies, or other clinical uses of itolizumab

supported by Biocon or third parties or during post- approval use of itolizumab; • the timing of data from our ongoing and planned clinical studies of EQ101 ~~, EQ102~~ and itolizumab (EQ001); • changes in our projected operating results that we provide to the public, our failure to meet these projections or changes in recommendations by securities analysts that elect to follow our common stock; • regulatory or legal developments of ours, our competitors' or Biocon' s; • the level of expenses related to future product candidates or clinical development programs; • changes in the structure of healthcare payment systems; • our ability to achieve product development goals in the timeframe we announce; • announcements of clinical study results, regulatory developments, acquisitions or mergers, strategic alliances or significant agreements by us, by our competitors, or by Biocon; • the success or failure of our efforts to acquire, license or develop additional product candidates; • recruitment or departure of key personnel; • the economy as a whole and market conditions in our industry; • trading activity by a limited number of stockholders who together beneficially own a substantial proportion of our outstanding common stock; • the size of our market float; **• our implementation and execution of a stock repurchase program; • delays or other adverse impacts to our clinical studies from global health epidemics or outbreaks; • taxation authorities, such as the IRS and ATO, disagreeing with the positions taken on our tax returns;** and • any other factors discussed in this report. In addition, the stock markets have experienced extreme price and volume fluctuations, including as a result of the COVID- 19 pandemic, bank failures ~~and~~ **,** the conflict between Russia and Ukraine, **and the conflict in the Middle East,** that have affected and **may** continue to affect the market prices of equity securities of many life sciences companies. Stock prices of many biopharmaceutical companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business. Raising additional capital may cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates. Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, debt financings, **and** collaboration and license agreements, such as our Asset Purchase Agreement with Ono. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. In ~~March~~ **October** ~~2020~~ **2023** , we entered into the ~~Purchase Agreement~~ **2023 ATM Facility** with ~~Lincoln Park~~ **Jefferies, under** which ~~provides that, upon the terms and subject to the conditions and limitations set forth therein,~~ we may **offer and** sell ~~to Lincoln Park up to $ 15. 0 million of~~ shares of our common stock ~~,~~ **having an aggregate offering price of up to $ 21. 95 million** from time to time **through Jefferies acting** ~~over the 36- month term of the Purchase Agreement, and we issued an additional 65, 374 shares of our common stock to Lincoln Park~~ as **our sales agent** ~~commitment shares under the Purchase Agreement~~ . As ~~of December 31, 2022 and as of the date~~ of the filing of this Annual Report on Form 10- K, we have not sold any shares ~~of our common stock to Lincoln Park~~ under the ~~Purchase Agreement. The Purchase Agreement will expire on May 1,~~ 2023 **ATM Facility** . Debt 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. ~~Subject to limited exceptions, our Loan Agreement also prohibits us from incurring indebtedness without the prior written consent of the lenders.~~ If we raise funds through collaboration and license agreements with third parties, such as our Asset Purchase Agreement with Ono, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves **. Adverse developments affecting the financial services industry could adversely affect our current and projected business operations and our financial condition and results of operations. Adverse developments that affect financial institutions, such as events involving liquidity that are rumored or actual, have in the past and may in the future lead to bank failures and market- wide liquidity problems. For example, on March 10, 2023, SVB was closed by the California Department of Financial Protection and Innovation, which appointed the FDIC as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. In addition, on May 1, 2023, the FDIC seized First Republic Bank and sold its assets to JPMorgan Chase & Co. While the U. S. Department of Treasury, FDIC and Federal Reserve Board have implemented a program to provide up to $ 25 billion of loans to financial institutions secured by certain of such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other liquidity needs of financial institutions for immediate liquidity may exceed the capacity of such program, there is no guarantee that such programs will be sufficient. Additionally, it is uncertain whether the U. S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions, or that they would do so in a timely fashion. While we have not experienced any adverse impact to our liquidity or to our current and projected business operations, financial condition or results of operations as a result of the matters relating to SVB, Signature Bank, Silvergate Capital Corp and First Republic Bank, uncertainty remains over liquidity concerns in the broader financial services industry, and our business, our business partners or industry as a whole may be adversely impacted in ways that we cannot predict at this time. Although we assess our banking relationships as we believe necessary or appropriate, our access to cash in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect the financial institutions with which we have banking relationships. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services**

industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could also include factors involving financial markets or the financial services industry generally. The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These could include, but may not be limited to, delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets; or termination of cash management arrangements and / or delays in accessing or actual loss of funds subject to cash management arrangements. In addition, widespread investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations, result in breaches of our financial and / or contractual obligations or result in violations of federal or state wage and hour laws. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our current and / or projected business operations and financial condition and results of operations . If there are substantial sales of shares of our common stock, the price of our common stock could decline. The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers and significant stockholders, or if there is a large number of shares of our common stock available for sale and the market perceives that sales will occur. As of March ~~16~~ **20** , ~~2023~~ **2024** , we had ~~34~~ **35** , ~~414~~ **254** , ~~149~~ **752** shares of our common stock outstanding. Shares held by directors, executive officers and other affiliates will be subject to volume limitations under Rule 144 under the **Securities Act of 1933, as amended, or** Securities Act. We have registered shares of common stock that we have issued and may issue under our employee equity incentive plans, which shares may be sold freely in the public market upon issuance. Sales of our common stock by current stockholders may make it more difficult for us to sell equity or equity- related securities in the future at a time and price that we deem reasonable or appropriate, and make it more difficult for other stockholders to sell shares of our common stock. The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares. We are unable to predict the effect that sales may have on the prevailing market price of our common stock. The concentration of our stock ownership will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring stockholder approval. Our executive officers, directors and the holders of more than 5 % of our outstanding common stock, in the aggregate, beneficially own a significant percentage of our common stock. As a result, these stockholders, acting together, will have significant influence over all matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. Corporate actions might be taken even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other stockholders may view as beneficial **. We cannot guarantee that our stock repurchase program will be further consummated or will enhance stockholder value, and share repurchases could affect the price of our common stock. In July 2023, our board of directors authorized a stock repurchase program pursuant to which we may repurchase up to $ 7. 5 million of shares of our common stock through December 31, 2024. Under the stock repurchase program, we may repurchase shares of common stock during the term of the stock repurchase program through open market transactions or such other transactions as our board of directors or designated committee thereof may approve from time to time. As of December 31, 2023, we have repurchased 298, 385 shares of our common stock under the stock repurchase program for a total of $ 0. 3 million. There have been no repurchases of our common stock under the stock repurchase program since December 31, 2023 and through the date of the filing of this Annual Report on Form 10- K. There can be no assurances that we will make further stock repurchases in the future. Open market repurchases will be structured to occur in accordance with applicable federal securities laws, including within the pricing and volume requirements of Rule 10b- 18 under the Exchange Act. We may also, from time to time, enter into Rule 10b5- 1 plans to facilitate repurchases of our shares of common stock under this authorization. The timing and amount of repurchases, if any, will depend on a variety of factors, including the price of our common stock, alternative investment opportunities, our cash resources, restrictions under any of our agreements, corporate and regulatory requirements and market conditions. Repurchases of shares of common stock could affect the market price of our common stock, increase their volatility or diminish our cash reserves, which may impact our ability to finance our future operations. Although our stock repurchase program is intended to enhance long- term stockholder value, there is no assurance that it will do so, and short- term share price fluctuations could reduce the program' s effectiveness. In addition, any future stock repurchases will likely reduce our " public float, " (i. e., the number of shares of our common stock that are owned by non- affiliated stockholders and available for trading in the securities markets). A reduction in our public float may reduce the volume of trading in our shares of common stock and result in reduced liquidity, which, in each case, may cause fluctuations in the trading price of our common stock unrelated to our performance** . Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock. Provisions of our amended and restated certificate of incorporation and amended and restated bylaws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our amended

and restated certificate of incorporation and amended and restated bylaws: • permit our board of directors to issue up to 10, 000, 000 shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control); • provide that the authorized number of directors may be changed only by resolution of the board of directors; • provide that the board of directors or any individual director may only be removed with cause and the affirmative vote of the holders of at least 66- 2 / 3 % of the voting power of all of our then outstanding common stock; • provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum; • divide our board of directors into three classes; • require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent; • provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder' s notice; • do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose); • provide that special meetings of our stockholders may be called only by the chairman of the board, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and • provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law; (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine. These provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of at least 66- 2 / 3 % of our then- outstanding common stock. In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15 % or more of our outstanding voting stock, from merging or combining with us for a certain period of time. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision. These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirors to obtain control of our board of directors or initiate actions that are opposed by our then- current board of directors, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative action or proceeding brought on our behalf; • any action asserting a breach of fiduciary duty; • any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; and • any action asserting a claim against us that is governed by the internal- affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation further 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. While the Delaware courts have determined that such choice of forum provisions are facially valid and several state study courts have enforced such provisions and required that suits asserting Securities Act claims be filed in federal court, there is no guarantee that courts of appeal will affirm the enforceability of such provisions and a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with litigating Securities Act claims in state court, or both state and federal court, which could seriously harm our business, financial condition, results of operations, and prospects. These exclusive 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 against us and our directors, officers and other employees. If a court were to find either exclusive- forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business. General Risk Factors As a public company in the United States,

we incur significant legal and financial compliance costs and we are subject to the Sarbanes- Oxley Act. We can provide no assurance that we will, at all times, in the future be able to report that our internal controls over financial reporting are effective. Companies that file reports with the SEC, including us, are subject to the requirements of Section 404 of the Sarbanes- Oxley Act of 2002. Section 404 requires management to establish and maintain a system of internal control over financial reporting, and annual reports on Form 10- K filed under the ~~Securities~~ Exchange Act ~~of 1934, as amended, or the Exchange Act,~~ must contain a report from management assessing the effectiveness of a company' s internal control over financial reporting. Ensuring that we have adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis remains a costly and time- consuming effort that needs to be re- evaluated frequently. Failure on our part to have effective internal financial and accounting controls would cause our financial reporting to be unreliable, could have a material adverse effect on our business, operating results, and financial condition, and could cause our stock price to decline as a result. If we cannot conclude that we have effective internal control over our financial reporting, or if our independent registered public accounting firm is unable to provide an unqualified opinion regarding the effectiveness of our internal control over financial reporting, investors could lose confidence in the reliability of our financial statements. Failure to comply with reporting requirements could also subject us to sanctions and / or investigations by the SEC, The Nasdaq ~~Global~~ **Capital** Market or other regulatory authorities. Furthermore, stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, any new regulations or disclosure obligations may increase our legal and financial compliance costs and will make some activities more time- consuming and costly. We or the parties upon whom we depend on may be adversely affected by earthquakes, fires, other natural disasters, or other sudden, unforeseen and severe adverse events, including public health ~~events~~ **epidemics or outbreaks** , and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster. Our headquarters and main research facility are located in the Greater San Diego Area, which in the past has experienced severe earthquakes and fires. If these earthquakes, fires, other natural disasters, terrorism and similar unforeseen events beyond our control prevented us from using all or a significant portion of our headquarters or research facility, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. We do not have a disaster recovery or business continuity plan in place and may incur substantial expenses as a result of the absence or limited nature of our internal or third party service provider disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business. Furthermore, integral parties in our supply chain are operating from single sites, increasing their vulnerability to natural disasters or other sudden, unforeseen and severe adverse events, including public health **epidemics or outbreaks,** ~~events such as the COVID- 19 pandemic~~ that could impact our business. If such an event were to affect our supply chain, it could have a material adverse effect on our ability to conduct our clinical studies, our development plans and business. For example, in March 2020, due to the spread of the coronavirus, the Indian government restricted the export of 26 active pharmaceutical ingredients and the medicines made from them. These export restrictions are indefinite and may be **modified or** expanded. If the export restrictions are expanded to include itolizumab (EQ001), our supply of itolizumab (EQ001) may be disrupted, delayed or stopped indefinitely and our ability to continue development of itolizumab (EQ001), including our ongoing clinical studies, may be significantly impacted and may result in higher costs of drug product and adversely harm our business. Changes in patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our product candidates. As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents relating to our research programs and product candidates. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States or USPTO rules and regulations could increase the uncertainties and costs. Recent patent reform legislation in the United States and other countries, including the Leahy- Smith America Invents Act, or the Leahy- Smith Act, signed into law on September 16, 2011, could increase those uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The Leahy- Smith Act includes a number of significant changes to U. S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost- effective avenues for competitors to challenge the validity of patents. 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. After March 2013, under the Leahy- Smith Act, the United States transitioned to a first inventor to file system in which, assuming that the other statutory requirements 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. However, the Leahy- Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications, our ability to obtain future patents, and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. 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. Depending on future actions by the U. S. Congress, the U. S. courts, the USPTO and the relevant law- making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. Product liability lawsuits against us could cause us to incur substantial liabilities and could limit our commercialization of any product candidates that we may develop. We face an inherent risk of product liability exposure related to the testing of EQ101, ~~EQ102,~~ itolizumab (EQ001)

and any future product candidates in human clinical studies and will face an even greater risk if we commercially sell any products that we may develop. If we cannot successfully defend ourselves against claims that EQ101 ~~, EQ102~~, itolizumab (EQ001) or any future product candidates or products caused injuries, we could incur substantial liabilities. Regardless of merit or eventual outcome, product liability claims may result in: • delay or termination of clinical studies; • decreased demand for any product candidates or products that we may develop; • injury to our reputation and significant negative media attention; • withdrawal of clinical study subjects; • initiation of investigations by regulators; • significant costs to defend the related litigation and diversion of management' s time and our resources; • substantial monetary awards to clinical study subjects or patients; • product recalls, withdrawals or labeling, or marketing or promotional restrictions; • loss of revenue; and • the inability to commercialize any products that we may develop. We currently have product liability insurance. However, the amount of insurance may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our insurance coverage as EQ101, ~~EQ102~~ **EQ302**, itolizumab (EQ001) and any future product candidates advance through clinical studies and if we successfully commercialize any products. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could affect the tax treatment of our domestic and foreign earnings. Any new taxes could adversely affect our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, on December 22, 2017, U. S. federal income tax legislation was signed into law (H. R. 1, " An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 "), informally titled the Tax Cuts and Jobs Act, that significantly revised the IRC. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Cuts and Jobs Act may affect us, and certain aspects of the Tax Cuts and Jobs Act could be repealed or modified in future legislation. Effective January 1, 2022, the Tax Cuts and Jobs Act modified **IRC** ~~Internal Revenue Code Section~~ 174 to require taxpayers' U. S. based and non- U. S. based **research and experimental (**R & E **)** expenditures to be capitalized and amortized over a period of five or fifteen years, respectively. Prior to the Tax Cuts and Job Act amendment, Section 174 allowed taxpayers to either immediately deduct R & E expenditures in the year paid or incurred, or elect to capitalize and amortize over a period of at least 60 months. Unless the United States Department of the Treasury issues regulations that narrow the application of this provision to a smaller subset of our research and development expenses or the provision is deferred, modified, or repealed by Congress, it could harm our future operating results by effectively increasing our future tax obligations. The actual impact of this provision will depend on multiple factors, including the amount of research and development expenses we will incur, whether we achieve sufficient income to fully utilize such deductions and whether we conduct our research and development activities inside or outside the United States. Legislation enacted on March 27, 2020, entitled the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, modified certain provisions of the Tax Cuts and Jobs Act. In addition, the recently enacted IRA includes provisions that will impact the U. S. federal income taxation of corporations, including imposing a minimum tax on the book income of certain large corporations and an excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. It is uncertain if and to what extent various states will conform to the Tax Cuts and Jobs Act, the CARES Act or the IRA. We do not expect the Tax Cuts and Jobs Act or the CARES Act to have a material impact on our current projection of minimal cash taxes for the near future. However, we continue to examine the impact that the Tax Cuts and Jobs Act, the CARES Act and the IRA may have on our business in the longer term. We urge prospective investors to consult with their legal and tax advisors with respect to this legislation and the potential tax consequences of investing in or holding our common stock. **We are subject to risks related to taxation in multiple jurisdictions. We are subject to income taxes in the United States and various state jurisdictions, as well as Australia. The preparation of these income tax returns requires us to interpret the applicable tax laws and regulations in effect in such jurisdictions, which could affect the amount of tax paid. Our income tax returns are based on calculations and assumptions that are subject to examination by the Internal Revenue Service and other tax authorities. In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations. While we believe we have appropriate support for the positions taken on our tax returns, we regularly assess the potential outcomes of examinations by tax authorities in determining the adequacy of our provision for income taxes. We periodically assess the likelihood and amount of potential revisions and, if warranted, adjust the income tax provision, income taxes payable and deferred taxes in the period in which the facts that give rise to a revision become known. An amount is accrued for the estimate of additional tax liability, if any, including interest and penalties, for any uncertain tax positions taken or expected to be taken in an income tax return. Significant judgments based on interpretations of existing tax laws or regulations are required in determining the provision for income taxes. Our provision for income taxes could be adversely affected by various factors, including, but not limited to, changes in the mix of earnings in tax jurisdictions with different statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in existing tax policies, laws, regulations, or rates, changes in the level of non- deductible expenses (including stock- based compensation), location of operations, changes in our future levels of research and development spending, mergers and acquisitions, or the result of examinations by various tax authorities. Although we believe our tax estimates are reasonable, if the Internal Revenue Service or other taxing authority disagrees with the positions taken on our tax returns, we could have additional tax liability, including interest and penalties. If material, payment of such additional amounts upon final adjudication of any disputes could have a material impact on our results of operations and financial position.** If we fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business. We, and the

third parties with whom we share our facilities, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Each of our operations involve the use of hazardous and flammable materials, including chemicals and biological and radioactive materials. Each of our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. We could be held liable for any resulting damages in the event of contamination or injury resulting from the use of hazardous materials by us or the third parties with whom we share our facilities, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research and development. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline. Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud. We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well- conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision- making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make any related party transaction disclosures. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected. In addition, we do not have a risk management program or processes or procedures for identifying and addressing risks to our business in other areas. We are ~~an a~~ " ~~emerging growth~~ **smaller reporting** company ~~,~~ " and ~~we cannot be~~ **a " non- accelerated filer " and any decision on our part to comply only with** certain ~~if the~~ reduced reporting **and disclosure** requirements applicable to ~~emerging growth~~ **smaller reporting** companies ~~will~~ **or non- accelerated filers could** make our common stock less attractive to investors. We are ~~an~~ **a** " ~~emerging growth~~ **smaller reporting** company **" and a " non- accelerated filer** " as defined in the **Exchange** ~~Jumpstart Our Business Startups~~ Act ~~of 2012~~ , **and for** as **long as** ~~amended, or JOBS Act, and~~ we ~~intend~~ **continue to be a " smaller reporting company " or a " non- accelerated filer, " we may choose** to take advantage of ~~some of the~~ exemptions from **various** reporting requirements ~~that are~~ applicable to other public companies **but** ~~that are~~ not ~~emerging growth~~ **to " smaller reporting** companies **" or " non- accelerated filers** , **"** including **, but not limited** ~~: • being permitted to provide only two~~ **to** ~~years of audited financial statements~~ , ~~in addition to any required unaudited interim financial statements, with correspondingly reduced " Management' s Discussion and Analysis of Financial Condition and Results of Operations " disclosure; •~~ not being required to ~~comply with the~~ **have our independent registered public accounting firm** ~~auditor~~ -- **audit** ~~attestation requirements in the assessment of~~ our internal control over financial reporting **under Section 404 (** ~~; • not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or~~ **for so long as we are** a **" non- accelerated filer ")** ~~supplement to the auditor' s report providing additional information about the audit~~ and ~~the financial statements; •~~ reduced disclosure obligations regarding executive compensation ~~,~~ **in our periodic reports** and ~~• not being required to hold~~ **proxy statements (for so long as we are** a **" smaller reporting company "). We expect to be both a " smaller reporting company " and a "** non- **accelerated filer** ~~binding advisory vote on executive compensation or obtain stockholder approval of any golden parachute payments not previously approved. In addition, as an " emerging growth company~~ " **in 2024** ~~the JOBS Act allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We have elected to use this extended transition period under the JOBS Act~~ . We cannot predict if investors will find our common stock less attractive ~~because~~ **if** we ~~will~~ **choose to** rely on these exemptions. If some investors find our common stock less attractive as a result **of any choices to reduce future disclosure** , there may be a less active trading market for our common stock and our stock price may be more volatile ~~. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of our initial public offering (i. e. December 31, 2023), (b) in which we have total annual gross revenue of at least $ 1. 235 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non- affiliates exceeds $ 700 million as of the prior June 30th and (2) the date on which we have issued more than $ 1. 0 billion in non- convertible debt during the prior three- year period~~ . We do not intend to pay dividends for the foreseeable future. We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or

pay any dividends in the foreseeable future ~~, including due to limitations that are currently imposed by our Loan Agreement~~ . In addition, the terms of any future debt agreements may preclude us from paying dividends. Consequently, stockholders must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. We could be subject to securities class action litigation. In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because biopharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management' s attention and resources, which could harm our business.