Risk Factors Comparison 2025-03-19 to 2024-03-28 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Investing in our common stock involves a high degree of risk. Before deciding to invest in shares of our common stock, you should carefully consider the risks described below, together with the other information contained in this Annual Report on Form 10- K, including in the section titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and in our audited financial statements and the related ~~notes~~ **footnotes** included elsewhere in this Annual Report on Form 10- K. We cannot assure you that any of the events discussed below will not occur. These events could adversely impact our business, financial condition, results of operations and prospects. If that were to happen, the trading price of our common stock could decline, and you could lose all or part of your investment **. Risks Related to the Merger The Merger is subject to various closing conditions, including governmental approvals, and other uncertainties and there can be no assurances as to whether or when it may be completed. On February 6, 2025, we entered into the Merger Agreement with Alumis and Merger Sub. The consummation of the Merger is subject to customary closing conditions and a number of the conditions are not within our control, and may prevent, delay or otherwise materially adversely affect the completion of the transaction. These conditions include, among other things, (i) approval by the stockholders of each of Alumis and us of the Merger; (ii) authorization for listing on The Nasdaq Stock Market of the shares of voting common stock of Alumis, par value $ 0. 0001 per share, to be issued to our stockholders pursuant to the Merger Agreement, (iii) effectiveness of a registration statement on Form S- 4 to be filed with the SEC by Alumis; and (iv) the absence of any law, judgment, order, injunction, ruling, writ award or decree by any governmental entity of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the Merger. It is also possible that a change, event, fact, effect or circumstance could occur that could lead to a material adverse effect to us, which may give Alumis the ability to not complete the Merger. We cannot predict with certainty whether and when the required closing conditions that have not yet been satisfied will be satisfied or if another uncertainty may arise. If the Merger does not receive, or timely receive, the required stockholder approvals, or if another event occurs delaying or preventing the Merger, such delay or failure to complete the Merger may cause uncertainty or other negative consequences that may materially and adversely affect our financial performance and operating results, and the price per share for our common stock and perceived acquisition value. Further, we and our directors and Alumis and its directors could become subject to lawsuits that may be filed relating to the Merger. While we intend to defend against any such actions vigorously, the costs of the defense of such lawsuits and other effects of such litigation could have an adverse effect on our business, financial condition and operating results. If the Merger Agreement is terminated, we may, under certain circumstances, be obligated to pay a termination fee to Alumis and these costs could require us to use available cash that would have otherwise been available for general corporate purposes. If the Merger Agreement is terminated, in certain circumstances, including in the event of a termination by us in order to accept a Company Superior Proposal, as defined in the Merger Agreement, we would be required to pay Alumis a termination fee of $ 10, 000, 000. If the Merger Agreement is terminated, the termination fee we may be required to pay, if any, under the Merger Agreement may require us to use available cash that would have otherwise been available for general corporate purposes. Further, if the Merger Agreement is terminated, we may be subject to various legal proceedings, whether brought by Alumis or other parties alleging a breach by us of the Merger Agreement or for other reasons, which could result in unanticipated rulings or our entry into settlements. In addition, the failure to complete the Merger may negatively impact our ability to raise additional funds on acceptable terms, or at all. For these and other reasons, a failed Merger could materially and adversely affect our business, operating results or financial condition, which in turn would materially and adversely affect our business or financial condition, the price per share of our common stock or our perceived acquisition value. While the Merger is pending, we are subject to business uncertainties and contractual restrictions that could materially adversely affect our operations, the development of our product candidates and the future of our business or result in a loss of employees. The Merger Agreement includes restrictions on the conduct of our business prior to the completion of the Merger, generally requiring us to conduct our business in the ordinary course, consistent with past practice, and subjecting us to a variety of specified limitations absent Alumis' prior written consent. In particular, we have agreed to delay initiation of our Phase 3 LONGITUDE program for lonigutamab until the closing of the Merger. We may find that these and other contractual arrangements in the Merger Agreement may delay or prevent us from or limit our ability to respond effectively to competitive pressures, industry developments and future business opportunities that may arise during such period, even if our management and board of directors think they may be advisable. A delayed initiation of our Phase 3 LONGITUDE trial for lonigutamab may cause further delays if the new trial timing requires further negotiation or revising of agreements with our expected CROs, clinical trial sites and other third parties necessary to conduct such trials. Any delay in trial initiation would also be expected to result in delays to clinical data read- outs and potential commercialization of lonigutamab. The pendency of the Merger may also divert management' s attention and our resources from ongoing business and operations. Our employees and partners may have uncertainties about the effects of the Merger. Similarly, current and prospective employees may experience uncertainty about their future roles with us following completion of the Merger, which may materially adversely affect our ability to attract and retain key employees. If any of these effects were to occur, it could materially and adversely impact our revenues, earnings and cash flows and other business results and financial condition, as well as the market price of our common stock and our perceived acquisition value, regardless**

of whether the Merger is completed. In addition, whether or not the Merger is completed, while it is pending we will continue to incur costs, fees, expenses and charges related to the proposed Merger, which may materially and adversely affect our business results and financial condition . Risks Related to Our Financial Position and Need for Capital We are a clinical stage biopharma company with a limited operating history, no products approved for commercial sale, have incurred substantial losses since our inception and anticipate incurring substantial and increasing losses for the foreseeable future. We are a clinical stage biopharma company with a limited operating history. We have no product candidates approved for commercial sale and have not generated any revenue. Biopharmaceutical product development is a highly speculative undertaking. It entails substantial upfront capital expenditures and significant risk that any product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval or become commercially viable. ~~Our lead product candidate is izokibep, an IL- 17A inhibitor. In addition, we are advancing lonigutamab, an anti- IGF- 1R inhibitor, and developing SLRN- 517, a monoclonal antibody targeting c- KIT.~~ We have and will continue to incur significant development and other expenses related to our clinical development and ongoing operations. Our net loss for the years ended December 31, **2024 and** 2023 ~~, 2022 and 2021~~ was $ **248. 2 million and $** 381. 6 million, ~~$ 64. 8 million and $ 41. 8 million,~~ respectively. As of December 31, ~~2023~~ **2024** ~~,~~ we had an accumulated deficit of $ ~~488~~ **736** . ~~7~~ **9** million. Substantially all of our losses have resulted from expenses incurred in connection with the acquisition and development of our pipeline and from general and administrative costs associated with our operations. We expect to incur significant losses for the foreseeable future, and we expect these losses to increase as we continue our development of our product candidates. We anticipate that our expenses will increase substantially if, and as, we: • conduct further preclinical or clinical trials for our product candidates; • identify additional product candidates and acquire rights from third parties to those product candidates through licenses or other acquisitions, and conduct development activities, including preclinical studies and clinical trials; • procure the manufacturing of preclinical, clinical and commercial supply of our current or any future product candidates; • seek regulatory approvals for our current or any future product candidates; • commercialize our current or any future product candidates, if approved; • take steps toward our goal of being an integrated biopharma company capable of supporting commercial activities, including establishing sales, marketing and distribution infrastructure; • attract, hire and retain qualified clinical, scientific, operations and management personnel; • add and maintain operational, financial and information management systems; • protect, maintain, enforce and defend our rights in our intellectual property portfolio; • defend against third- party interference, infringement and other intellectual property claims, if any; • address any competing therapies and market developments; • experience any delays in our preclinical studies or clinical trials and regulatory approval for our product candidates due to the impacts of negative macroeconomic trends, such as high rates of inflation, geopolitical instability and war; and • incur costs associated with operating as a public company. Even if we succeed in commercializing one or more product candidates, we expect to incur substantial development costs and other expenditures to develop and market additional product candidates. We may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue or raise additional capital. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders' equity and our working capital. Preclinical and clinical development involves a lengthy and expensive process, with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results. We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current product candidates or any future product candidates. ~~All~~ **Investment in drug development is a highly speculative undertaking and the risk** of our product candidates ~~are either~~ **' failure to continue** in ~~preclinical or clinical~~ development **,** and ~~their risk of failure~~ **ultimately be commercialized,** is high **. In 2024, we stopped further development of izokibep in HS, PsA, AxSpA and uveitis and SLRN- 517 in chronic urticaria** . It is impossible to predict when or if any of our product candidates will receive regulatory approval. To obtain the requisite regulatory approvals to commercialize any product candidates, we must demonstrate through preclinical studies and lengthy, complex and expensive clinical trials that our product candidates are safe and effective in humans. Clinical testing can take many years to complete, and its outcome is inherently uncertain. The results of preclinical studies and early clinical trials of our product candidates may not be predictive of the results of later- stage clinical trials. For example, despite encouraging results from the open- label Part A of our Phase 2b trial of izokibep in HS, the primary endpoint of HiSCR75 at week 16 did not meet statistical significance in the Part B portion of such trial. This result significantly harmed our stock price and investor perceptions of the prospects for izokibep in HS **. Similarly** , ~~extended~~ **our Phase 2b / 3 trial of izokibep in uveitis failed to meet the primary endpoint** ~~our~~ **or any secondary endpoint. Moreover, although the results from our Phase 3 clinical trial of izokibep in HS we announced in August 2024 were positive, we made a strategic capital allocation decision, implemented the Restructuring Plan and suspended new internal investment in the** development ~~timeline and increased our development costs for such indication. The factors we believe contributed to the Part B results were primarily subject discontinuations unrelated to adverse events and a marked increase in placebo response rates during the course~~ of **izokibep** ~~the trial that led to overall placebo response rates that were markedly higher than historical rates~~ in ~~the~~ HS ~~indication~~ **, PsA and AxSpA** . Our clinical trials are subject to significant risk factors that can have a material and negative impact on outcomes, many of which are beyond our control. Such factors include unexpectedly high placebo ~~response~~ rates and patient responder discontinuations unrelated to adverse events, ~~such as~~ **both of which** we observed in our Phase 2b trial of izokibep in HS **, safety limitations and / or tolerability concerns** . Other factors that can impact our clinical trial results include, without limitation, patient baseline demographics, clinical protocol adherence, physician and patient scored outcome measures, among others. Any such negative impacts could materially and adversely ~~effect~~ **affect** our business, development, regulatory approval and commercialization prospects of ~~izokibep, or~~ **our** ~~other~~ product candidates. In addition, differences in trial design make it difficult to extrapolate the results of earlier clinical trials to later clinical trials. A number of companies in the biopharmaceutical industry, including us, have suffered significant setbacks in advanced clinical trials due to lack of efficacy

or unfavorable safety profiles, notwithstanding promising results in earlier trials **such as the promising results from the open-label Part A of our Phase 2b trial of izokibep in HS** . In addition, results in one indication may not be predictive of results for the same product candidate in another indication. Moreover, clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in clinical trials have nonetheless failed to obtain marketing approval of such product candidates. We may be unable to establish clinical endpoints that applicable regulatory authorities would consider clinically meaningful. Commencing any future clinical trials is subject to finalizing the trial design and submitting an application to the FDA or a similar foreign regulatory authority. Even after we make our submission, the FDA or other regulatory authorities could disagree that we have satisfied their requirements or disagree with our study design, which may require us to complete additional trials, amend our protocols or impose stricter conditions on the commencement of clinical trials. There is typically a high rate of failure of product candidates proceeding through clinical trials, and failure can occur at any time. Most product candidates that commence clinical trials are never approved as products and there can be no assurance that any of our current or future clinical trials will ultimately be successful or support the approval of our current or any future product candidates. We expect to continue to rely in part on our collaborators, ~~contract research organizations ("~~ CROs ~~")~~ and clinical trial sites to ensure the proper and timely conduct of our clinical trials, including the participant enrollment process, and we have limited influence over their performance. We or our collaborators may experience delays in initiating or completing clinical trials due to unforeseen events or otherwise, that could delay or prevent our ability to receive marketing approval or commercialize our current and any future product candidates, including: • regulators, such as the FDA or comparable foreign regulatory agencies, Institutional Review Boards (~~"~~ **“** IRBs ~~"~~ **”**), or ethics committees may impose additional requirements before permitting us to initiate a clinical trial, may not authorize us or our investigators to commence or conduct a clinical trial at a prospective trial site, may not allow us to amend trial protocols, or may require that we modify or amend our clinical trial protocols; • we may experience delays in reaching, or fail to reach, agreement on acceptable terms with trial sites and CROs, the terms of which can be subject to extensive negotiation and may vary significantly; • clinical trial sites deviating from trial protocol or dropping out of a trial; • the number of participants required for clinical trials may be larger, enrollment in clinical trials may be slower or participants may drop out or fail to return for post- treatment follow- up, in each case at a higher rate than we anticipate (as we experienced with respect to participant discontinuations in **each** ~~the Part B portion~~ of our Phase 2b **trial and our Phase 3** trial of izokibep in HS); • the cost of clinical trials may be greater than we anticipate, or we may have insufficient funds for a clinical trial or to pay the substantial user fees required by the FDA upon the submission of a ~~Biologic License Application ("~~ BLA ~~")~~ ; • the quality or quantity of data relating to our product candidates or other materials necessary to conduct our clinical trials may be inadequate to initiate or complete a given clinical trial or support marketing approval; • reports from clinical testing of other therapies may raise safety, tolerability or efficacy concerns about our product candidates; and • clinical trials of our product candidates may fail to show appropriate safety, tolerability or efficacy, may produce negative or inconclusive results, or may otherwise fail to improve on the existing standard of care, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs. Participant enrollment, a significant factor in the timing of clinical trials, is affected by many conditions including the size and nature of the patient population, the number and location of clinical sites we enroll, the proximity of participants to clinical sites, the eligibility and exclusion criteria and overall design of the clinical trial, the inability to obtain and maintain participant consents, the ongoing risk that enrolled participants will drop out before completion, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies. Risks related to patient enrollment are heightened in longer clinical trials. In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same areas as our product candidates, and this competition may reduce the number and types of participants available to us. Indication sizes and related disease prevalence may also factor into enrollment. We may experience slower enrollment than anticipated in our trials, which could impact our development timelines, our costs, or other factors. For example, we ~~expect to announce~~ **announced** top- line results in our Phase 2b / 3 trial in uveitis **in December** ~~due to slower enrollment by the end of~~ 2024 ~~,~~ versus mid- 2024 as initially anticipated **due to slower enrollment** . Participants, including in any control groups, may withdraw from the clinical trial if they are not experiencing improvement in their underlying disease or condition or if they experience other difficulties or issues. Participants may also withdraw from the clinical trial if they experience improvement in their underlying manifestations of disease, and determine that further treatment is not necessary or unduly burdensome relative to their experienced improvement. Additionally, we could encounter delays if treating clinicians encounter unresolved ethical issues associated with enrolling participants in clinical trials of our product candidates in lieu of prescribing existing treatments that have established safety and efficacy profiles. Even if we are able to enroll a sufficient number of participants in our clinical trials, delays in enrollment or small population size may result in increased costs or may affect the timing or outcome of our clinical trials. We have **experienced** ~~in the past~~ and ~~may in the future~~ **expect to continue to** experience participant withdrawals or discontinuations from our trials. Such withdrawals may compromise the quality of our data or contribute to negative or inconclusive results from trials, as we experienced in the week 16 Part B results of our Phase 2b trial of izokibep in HS. Any of these conditions may negatively impact our ability to successfully complete such trials and / or include results from such trials in regulatory submissions, which could adversely affect our ability to advance the development of our product candidates in a timely and cost- efficient manner, or at all ~~. For example in light of our week 16 Part B results in our Phase 2b trial of izokibep in HS, the timeline for, and costs associated with, any potential related BLA submission for such indication has been significantly extended~~ . We could also encounter delays if a clinical trial is suspended, put on clinical hold or terminated by us, IRBs, or regulatory authorities, or if a clinical trial is recommended for suspension or termination by its applicable Data Safety Monitoring Board (“ DSMB ”). A suspension or termination may be imposed due to a number of factors, including failure to conduct the clinical trial in accordance with applicable regulatory requirements, guidelines or clinical protocols; failure by CROs to perform in accordance with Good

Clinical Practice (“ GCP ”) requirements; inspection of the clinical trial operations or trial site by the FDA, EMA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects; failure to establish or achieve clinically meaningful trial endpoints; changes in governmental regulations or administrative actions; or lack of adequate funding to continue the clinical trial. Clinical trials may also be delayed or terminated as a result of inconclusive or negative interim results. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates. Further, the FDA, EMA or other regulatory authorities may disagree with our clinical trial design and our interpretation of data from clinical trials, or may change the requirements for approval even after they have reviewed and commented on the design for our clinical trials. We may also conduct preclinical and clinical research in collaboration with other academic, pharmaceutical and biotechnology entities. Such collaborations may be subject to additional delays because of the management of the trials, contract negotiations, the need to obtain agreement from multiple parties and may increase our costs and expenses. Our development costs will increase if we experience delays or other modifications in clinical testing including, but not limited to, required or desired trial population sizes and / or the number of clinical studies required to be conducted to obtain relevant health authority approvals. We do not know whether any of our clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant clinical trial delays also could impact our ability to seek regulatory approval, and / or shorten any periods during which we may have the exclusive right to commercialize our product candidates and may allow our competitors to bring products to market before we do, potentially impairing our ability to successfully commercialize our product candidates. Any delays in, halts to, or increase in costs in, our clinical development programs may harm our business, financial condition, results of operations and prospects. We will require substantial additional financing to achieve our goals and failure to obtain additional capital when needed, or on acceptable terms to us, could cause us to delay, limit, reduce, or terminate our product development or commercialization efforts. Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through equity offerings, debt financings, or other capital sources, including potential collaborations, licenses and other similar arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ownership interests will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Any future debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, selling or licensing our assets, making capital expenditures, declaring dividends or encumbering our assets to secure future indebtedness. Such restrictions could adversely impact our ability to conduct our operations and execute our business plan. **If we raise additional funds through** ~~Future~~ **future collaborations, licenses and other similar arrangements, we may have to relinquish valuable rights to our future revenue streams or product candidates, or grant licenses on terms that may not be favorable to us and / or that may reduce the value of our common stock. Our ability to raise additional funds and the terms upon which we are able to raise such funds may be adversely impacted by the pendency of the Merger, and / or by future** clinical trial outcomes ~~could hinder our ability to raise~~ **and general economic and market conditions. As a result of these and other factors, we cannot be certain that** additional **funding will be available** ~~capital when needed, or~~ on **acceptable** terms **,** ~~acceptable to us. For~~ **or at all** ~~example, the failure to achieve the primary endpoint in the Part B week 16 results of the Phase 2b trial of izokibep in HS materially and negatively impacted our stock price~~ . **In addition,** ~~Delays~~ **delays** in financings or limited access to capital may impact the scope, timing and ability to conduct all planned clinical development activities, which could materially and adversely affect our business, operations and financial condition. **In any event** ~~If we raise additional funds through future collaborations~~ , **if** ~~licenses and other similar arrangements, we may have to relinquish valuable rights to our future revenue streams or product candidates, or grant licenses on terms that may not be favorable to us and / or that may reduce the value of our common stock. If~~ we are unable to raise additional funds through equity or debt financings or other arrangements when needed or on terms acceptable to us, we would be required to delay, limit, reduce, or terminate our product development or commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. Risks Related to Product Candidate Development and Commercialization Our clinical trials may reveal significant adverse events not seen in our preclinical studies or prior clinical trials and may result in a safety or tolerability profile that could delay or prevent regulatory approval or market acceptance of ~~izokibep, lonigutamab, any of our other product candidates or~~ **our** ~~any future~~ product candidates. Undesirable or clinically unmanageable side effects observed in our clinical trials for our product candidates could occur and cause us or regulatory authorities to interrupt, delay or halt our clinical trials and could result in a more restrictive label or the delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities. We **believe there is an unmet patient need to improve on the safety and side- effect profile of the sole currently approved therapy in the United States for the treatment of TED. If our product candidate lonigutamab is shown to** have **similar adverse events or side effects as the existing therapy, or other safety or tolerability concerns, such as hearing impairment, then our opportunity to disrupt the current standard of care will be limited. We observed certain adverse events in our ongoing Phase 2 clinical trial of lonigutamab including, without limitation, headache, tinnitus and injection site reactions. We also** observed certain adverse events and serious adverse events (“ SAEs ”) in our clinical trials of izokibep, some of which **were** ~~have been~~ determined to be drug- related by the principal investigator, and / or led to trial discontinuation ~~. Based on the safety profile of the two currently approved anti- IL- 17A agents, ixekizumab and secukinumab, certain side effects are expected as part of inhibiting the IL- 17A pathway. We have seen, and expect to see, similar results with izokibep,~~ including ~~adverse events and SAEs. These include~~ , without limitation, injection site reactions, infections such as nasopharyngitis, and inflammatory bowel disease. ~~In addition, candida rates are expected to be observed in 1- 3 % of trial participants. We expect that additional~~ **Additional** adverse events and SAEs ~~consistent with known side effects of IL- 17A inhibitors~~ may **continue to** emerge in our ongoing and future clinical trials ~~of izokibep~~ . If additional adverse events, SAEs or other side effects are observed in any of our

clinical trials that are atypical of, or more severe than, the known side effects of the respective class of agents that each of our product candidates are a part of, we may have difficulty recruiting participants to our clinical trials, participants may drop out of our trials, or we may be required to abandon those trials or our development efforts of one or more product candidates altogether. For example, certain participants ~~have withdrawn~~ **withdrew** from our trials of izokibep in PsA and HS due to SAEs, **including without limitation** adverse events such as injection site reactions and erythema ~~, physical relocation and lost to follow up~~. While we believe that certain side effects could be reversible with sufficient recovery periods, we will need to monitor the severity and duration of side effects in our clinical trials. If such effects are more severe, less reversible than we expect or not reversible at all, we may decide or be required to perform additional studies or to halt or delay further clinical development of any of our product candidates which could result in the delay or denial of regulatory approval by the FDA or other regulatory authorities. **We** ~~In addition, we~~ believe that one of the benefits of lonigutamab is its potential to improve on the safety and side- effect profile of the sole currently approved therapy in the **United States** ~~U. S.~~ for the treatment of TED. If lonigutamab is shown to have similar adverse events, side effects, or other safety or tolerability concerns, such as hearing impairment, then our opportunity to disrupt the current standard of care will be limited. Adverse events and SAEs that emerge during clinical investigation of or treatment with ~~izokibep, lonigutamab, any of~~ our ~~other~~ product candidates or any future product candidates may be deemed to be related to our product candidates. This may require longer and more extensive clinical development, or regulatory authorities may increase the amount of data and information required to approve, market, or maintain ~~izokibep, lonigutamab or~~ any ~~other current or future~~ product ~~candidates~~ **candidate** and could result in warnings and precautions in our product labeling or a restrictive risk evaluation and mitigation strategy (" REMS "). This may also result in an inability to obtain approval of ~~izokibep, lonigutamab or~~ any ~~other current or future~~ product ~~candidates~~ **candidate**. We, the FDA, EMA or other applicable regulatory authorities, or an IRB, may suspend clinical trials of a product candidate at any time for various reasons, including a belief that participants in such trials are being exposed to unacceptable health risks or adverse side effects. Some potential product candidates developed in the biotechnology industry that initially showed promise in early-stage trials have later been found to cause side effects that prevented their further development. Even if the side effects do not preclude the product candidate from obtaining or maintaining marketing approval, undesirable side effects, like those mentioned above, may inhibit market acceptance of the approved product due to its tolerability versus other therapies. Any of these developments could materially harm our business, financial condition, results of operations and prospects. Interim, initial, " top-line " and preliminary data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data. From time to time, we publicly disclose preliminary or top- line data from our preclinical studies and clinical trials, which are based on preliminary analyses 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 preclinical study or clinical trial. 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 top- line or preliminary results that we report may differ from future results of the same studies or trials, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Top- line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, top-line data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our preclinical studies and clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as participants' enrollment continues and more participants' data become available or as participants from our clinical trials continue other treatments for their disease. Adverse differences between interim data and final data could significantly harm our business prospects. 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 and could adversely affect the success of our business. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is material or otherwise appropriate information to include in our disclosure. If the interim, top- line or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our product candidates may be harmed, which could harm our business, financial condition, results of operations and prospects. Further, disclosure of interim, top- line or preliminary data by us or by our competitors could result in volatility in the price of our common stock. Furthermore, if we fail to replicate the positive results from our preclinical studies or clinical trials in our future clinical trials, we may be unable to successfully develop, obtain regulatory approval for and commercialize our current or future product candidates. We may expend our limited resources to pursue a particular product candidate in specific indications and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success. Because we have limited financial and managerial resources, we focus our development efforts on certain selected product candidates in certain selected indications **, and our development priorities may change over time**. For example, we ~~are~~ initially focused **substantially all of our efforts** on ~~our lead product candidates,~~ izokibep for the treatment of HS, PsA, AxSpA and uveitis, and **to a lesser extent, our earlier- stage programs. However, as part of the Restructuring Plan, we suspended new internal investment to develop izokibep for the treatment of HS, PsA and AxSpA and focused our resources primarily on the development of** lonigutamab for the treatment of TED **. We subsequently terminated our license agreement with Affibody relating to izokibep** . As a result **, we have expended significant resources developing izokibep, for which we will not receive any return on our investment. Likewise, we terminated our license agreement with Novelty Nobility relating to SLRN- 517 and, as a result, we will not receive a return on our investment in that product candidate.**

On February 6, 2025, we announced that, in connection with our entry into the Merger Agreement, we would delay initiation of the Phase 3 LONGITUDE program for lonigutamab until the closing of the Merger and that we planned to re- evaluate the development program for lonigutamab to enable potential confirmation of its differentiation in a capital efficient manner. As a result of our decisions to pursue certain product candidates and indications , we may forgo or delay pursuit of opportunities with other product candidates, or other indications for our existing 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 on current and future development programs and product candidates for specific indications, ~~including HS~~ **such as our spending on lonigutamab for the treatment of TED** , may not yield any commercially viable product candidates **. In this regard, our decision to focus our resources primarily on lonigutamab for the treatment of TED may be unsuccessful and may never lead to the development of a viable commercial product** . If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights. We face competition from entities that have made substantial investments into the rapid development of novel treatments for immunological indications, including large and specialty pharmaceutical and biotechnology companies, many of which already have approved therapies in our current indications. The development and commercialization of therapies is highly competitive. Our product candidates, if approved, will face significant competition, including from well- established, currently marketed therapies and our failure to demonstrate a meaningful improvement to the existing standard of care may prevent us from achieving significant market penetration. Many of our competitors have significantly greater resources and experience than we do and we may not be able to successfully compete. We face substantial competition from multiple sources, including large and specialty pharmaceutical and biotechnology companies, academic research institutions and governmental agencies and public and private research institutions. Our competitors compete with us on the level of the technologies employed, or on the level of development of their products as compared to our product candidates. In addition, many small biotechnology companies have formed collaborations with large, established companies to (i) obtain support for their research, development and commercialization of products or (ii) combine several treatment approaches to develop longer lasting or more efficacious treatments that may potentially directly compete with our current or any future product candidates. We anticipate that we will continue to face increasing competition as new therapies and combinations thereof, and related data emerge. Our current product ~~candidates -~~ **candidate lonigutamab** , ~~initially~~ under development for **the** treatment of **TED** ~~various immunological indications~~ , if approved, would face competition from **an** existing approved ~~immunological treatments -~~ **treatment** , ~~many of~~ which ~~have~~ **has** achieved commercial success ~~. For example~~ , ~~we are currently developing izokibep for the treatment of HS, PsA, AxSpA and uveitis. Many emerging and established life sciences companies have been focused on similar therapeutics and indications. If approved, izokibep would compete with currently approved therapeutics in each such indication~~ as well as ~~other drugs used to treat such~~ **potential competition from product candidates in clinical development by third** ~~patients -~~ **parties** ~~, such as generic drugs and biosimilars~~ . **Currently** ~~We are also developing lonigutamab for the treatment of TED. If approved~~ , ~~lonigutamab would compete with~~ the sole- approved product ~~(" standard~~ **for the treatment** of ~~care") TED is Tepezza, an intravenously delivered IGF- 1R inhibitor~~ , which has achieved wide- spread use in the treatment of TED. In addition ~~to the standard of care~~ , other therapies, such as corticosteroids, have been used on an off- label basis to alleviate some of the symptoms of TED. **There** ~~In addition, we~~ are **also multiple companies** developing ~~SLRN- 517 for the treatment of chronic urticaria. If approved, SLRN- 517 would face competition from both existing marketed therapies as well as other symptomatic treatments such as glucocorticosteroids that have been used to alleviate acute exacerbations of chronic urticaria. Furthermore, there are a number of~~ product candidates ~~in clinical development by third parties that are intended to treat the indications we are pursuing~~ **for TED including argenx SE, Lassen Therapeutics, Roche, Roivant, Sling Therapeutics, Inc., and Viridian Therapeutics, Inc.** , some of which are late- stage and may receive approvals in the near term. **On February 6, 2025, we announced that, in connection with our entry into the Merger Agreement, we would delay initiation of the Phase 3 LONGITUDE program until the closing of the Merger and that we planned to re- evaluate the development program for lonigutamab to enable potential confirmation of its differentiation in a capital efficient manner. Our decision to delay initiation of the Phase 3 LONGITUDE trial for lonigutamab increases the risk that one or more of the foregoing product candidates may receive approval before we are able to obtain approval for lonigutamab, if ever. This competition could have a material adverse impact on our business if our anticipated market share, pricing, government and private payer access, or a combination thereof, are lower than expected due to competition from branded and generic alternative therapies.** To compete successfully, we need to disrupt **any** ~~these currently~~ marketed drugs, meaning that we will have to demonstrate that the relative cost, method of administration, safety, tolerability and efficacy of our product candidates provides a better alternative to existing and new therapies. Our commercial opportunity and likelihood of success will be reduced or eliminated if our product candidates are not ultimately demonstrated to be safer, more effective, more conveniently administered, or less expensive than the current standard of care. Furthermore, even if our product candidates are able to achieve these attributes, and are approved, acceptance of our products may be inhibited by the reluctance of physicians to switch from existing therapies to our products, or if physicians choose to reserve our products for use in limited circumstances. Many of our competitors have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we have **. In addition, many of these competitors have significantly greater experience than we have in conducting human clinical trials and obtaining regulatory approvals. Competitors could succeed in obtaining FDA or other regulatory approvals more rapidly than we potentially could, or obtain approvals for superior products. Competitors may also obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates or any future product candidates. Many of our competitors have also established distribution**

channels, sales and marketing and other capabilities for the commercialization of their products, where we do not have any yet established. In addition, may competitors have greater name recognition and more extensive collaborative relationships . If we obtain regulatory approval for any product candidate, we will face competition based on many different factors, including the safety and effectiveness of our current or any future product candidates, the ease with which our current or any future product candidates can be administered and the extent to which participants accept relatively new routes of administration, the timing and scope of regulatory approvals for these product candidates, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Competing products could present superior treatment alternatives, including by being more effective, safer, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our current or any future product candidates. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. 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 management and other personnel and establishing clinical trial sites and participants' registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. We ~~are currently conducting~~ --- **conduct** , and may in the future conduct, clinical trials for ~~current or future~~ product candidates outside the **United States** ~~U. S.~~ , and the FDA and comparable foreign regulatory authorities may not accept data from such trials. We ~~are currently conducting~~ --- **conduct** clinical trials outside the **United States** ~~U. S.~~ , including (without limitation) in Europe and Australia, and we expect to continue to conduct trials internationally in the future. The acceptance of data from clinical trials conducted outside the U. S. or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the U. S., the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U. S. population and U. S. medical practice and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations. Additionally, the FDA' s clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials are subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U. S. or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time- consuming, and which may result in current or future product candidates that we may develop being delayed or not receiving approval for commercialization in the applicable jurisdiction. Even if we receive marketing approval for our current or future product candidates in the U. S., we may never receive regulatory approval to market outside of the U. S. We plan to seek regulatory approval of our current or future product candidates outside of the U. S. In order to market any product outside of the U. S., however, we must establish and comply with the numerous and varying safety, efficacy and other regulatory requirements of other applicable countries. Approval procedures vary among countries and can involve additional product candidate testing and additional administrative review periods. The time required to obtain approvals in other countries might differ substantially from that required to obtain FDA approval. The marketing approval processes in other countries generally implicate all of the risks detailed above regarding FDA approval in the U. S. as well as other risks. In particular, in many countries outside of the U. S., products must receive pricing and reimbursement approval before the product can be commercialized. Obtaining this approval can result in substantial delays in bringing products to market in such countries. Marketing approval in one country does not ensure marketing approval in another, but a failure or delay in obtaining marketing approval in one country may have a negative effect on the regulatory process in others and would impair our ability to market our current or future product candidates in such foreign markets. Any such impairment would reduce the size of our potential market, which could adversely affect our business, financial condition, results of operations and prospects. The successful commercialization of our product candidates, if approved, will depend in part on the extent to which governmental authorities and health insurers establish coverage, adequate reimbursement levels and favorable pricing policies. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates could limit our ability to market those products and decrease our ability to generate revenue. The availability of coverage and the adequacy of reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third- party payors are essential for most patients to be able to afford prescription medications such as our product candidates, if approved. Our ability to achieve coverage and acceptable levels of reimbursement for our products by third- party payors will have an effect on our ability to successfully commercialize those products. Even if 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. We cannot be sure that coverage and reimbursement in the United States, the European Union, Japan or elsewhere will be available for any product that we may develop, and any reimbursement that may become available may be decreased or eliminated in the future. Third- party payors increasingly are challenging prices charged for biopharmaceutical products and services, and many third- party payors may refuse to provide coverage and reimbursement for particular drugs when equivalent generic drugs, biosimilars or less expensive therapies are available. It is possible that a third- party payor may consider our product candidates, if approved, as substitutable and only be willing to cover the cost of the alternative product. Even if we show improved efficacy, safety or improved convenience of administration with ~~izokibep, lonigutamab or any of~~ our product candidates, if approved, pricing of competitive products may limit the amount we will be able to charge for any of our product candidates, if approved. Third- party payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing

marketed products at levels that are too low to enable us to realize an appropriate return on our investment in our product candidates. In some cases, when new competitor generic and biosimilar products enter the market, there are mandatory price reductions for the innovator compound. In other cases, payors employ " therapeutic category " price referencing and seek to lower the reimbursement levels for all treatments in the respective therapeutic category. Additionally, new competitor brand drugs can trigger therapeutic category reviews in the interest of modifying coverage and / or reimbursement levels. The potential of third- party payors to introduce more challenging price negotiation methodologies could have a negative impact on our ability to successfully commercialize any of our product candidates, if approved. There is significant uncertainty related to third- party payor coverage and reimbursement of newly approved products. In the United States, third- party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs will be covered. Some third- party payors may require pre- approval of coverage for new or innovative devices or therapies before they will reimburse healthcare providers who use such therapies. It is difficult to predict at this time what third- party payors will decide with respect to the coverage and reimbursement for our products, if approved. Obtaining and maintaining reimbursement status is time consuming, costly and uncertain. The Medicare and Medicaid programs increasingly are used as models for how private payors and other governmental payors develop their coverage and reimbursement policies for drugs. However, no uniform policy for coverage and reimbursement for products exists among third- party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, coverage determination is often a time consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases at short notice, and we believe that changes in these rules and regulations are likely. Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost- containment initiatives in Europe and other countries has and will continue to put pressure on the pricing and usage of our products. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates, if approved. Accordingly, in markets outside the United States, the reimbursement for our product candidates may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits. Moreover, increasing efforts by governmental and third- party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our products. We expect to experience pricing pressures in connection with the sale of any 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 drugs and surgical procedures and other treatments, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. ~~We may not be able to obtain or maintain orphan drug designations for certain of our product candidates, and we may be unable to maintain the benefits associated with orphan drug designation, including the potential for market exclusivity. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act of 1983, the FDA may designate a product as an orphan product if it is intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200, 000 individuals in the United States, or a patient population of greater than 200, 000 individuals in the United States, but for which there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the European Union, the EMA' s Committee for Orphan Medicinal Products grants orphan drug designation to promote the development of products that are intended for the diagnosis, prevention or treatment of a life- threatening or chronically debilitating condition affecting not more than five in 10, 000 persons in the European Union. There can be no assurance that the FDA or the EMA' s Committee for Orphan Medicinal Products will grant orphan drug designation for the indications we are evaluating, including non- infectious uveitis and TED, or that we will be able to maintain such designation if granted. In the United States, orphan designation entitles a party to financial incentives such as opportunities for grant funding toward clinical trial costs, tax advantages and user- fee waivers. In addition, if a product candidate that has orphan designation subsequently receives the first FDA approval for the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications to market the same drug for the same indication for seven years, except in limited circumstances. The applicable exclusivity period is ten years in Europe, but such exclusivity period can be reduced to six years if a product no longer meets the criteria for orphan designation or if the product is sufficiently profitable so that market exclusivity is no longer justified. Even if we obtain orphan drug exclusivity in an indication, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA or comparable foreign regulatory authority can subsequently approve a later drug for the same condition if such regulatory authority concludes that the later drug is clinically superior, if it is shown to be safer, more effective or makes a major contribution to patient care. Orphan drug designation does not convey any advantage in or shorten the duration of the regulatory review and approval process.~~ Risks Related to Our Business and Operations Our business depends entirely on the success of our product candidates and we cannot guarantee that any or all of our product candidates will successfully complete development, receive regulatory approval, or be successfully commercialized. If we are unable to develop, receive regulatory approval for, and ultimately successfully commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed. We currently have no products approved for commercial sale or for which regulatory approval to market has been sought. We have invested a

significant portion of our efforts and financial resources in the development of our product candidates, ~~each of~~ which ~~is~~ **are** still in clinical development, and expect that we will continue to invest heavily in **our current and potential** ~~these product candidates, as well as in any~~ future product candidates ~~we may develop~~ . Our business and our ability to generate revenue, which we do not expect will occur for many years, if ever, are substantially dependent on our ability to develop, obtain regulatory approval for, and then successfully commercialize our product candidates, which may never occur. ~~Our product candidates will require substantial additional development time, regulatory approval, commercial manufacturing arrangements, establishment of a commercial organization, significant marketing efforts, and further investment before we can generate any revenue from product sales.~~ We currently generate no revenue and we may never be able to develop or commercialize any products. We cannot assure you that we will meet our timelines for our current or future clinical trials, which may be delayed or not completed for a number of reasons, including the negative impacts of geopolitical instability, public health crises, labor shortages, inflation or other macroeconomic factors impacting our third- party CROs, CMOs, clinical trial sites, investigators or us. Our product candidates are susceptible to the risks of failure inherent at any stage of product development, including the appearance of unexpected adverse events ~~or~~ **, the** failure to achieve primary endpoints with statistical significance in clinical trials, ~~such as what occurred in~~ **the failure to demonstrate sufficient differentiation from** ~~the~~ **other approved therapies** ~~week 16 results of the Part B portion of our~~ **or therapies** ~~Phase 2b trial of izokibep~~ in ~~HS~~ **development or high cost of development** . Even if our product candidates are successful in clinical trials, we are not permitted to market or promote any of our product candidates before we receive regulatory approval from the FDA or comparable foreign regulatory authorities, and we may never receive sufficient regulatory approval that will allow us to successfully commercialize any product candidates. If we do not receive FDA or comparable foreign regulatory approval with the necessary conditions to allow commercialization, we will not be able to generate revenue from those product candidates in the United States or elsewhere in the foreseeable future, or at all. Any significant delays in obtaining approval for and commercializing our product candidates could adversely affect our business, financial condition, results of operations and prospects. We have not previously submitted a BLA for our product candidates or similar marketing application to the FDA or comparable foreign regulatory authorities, for any product candidate, and we cannot be certain that our current or any future product candidates will be successful in clinical trials or receive regulatory approval. The FDA may also consider its approvals of competing products, which may alter the treatment landscape concurrently with their review of our BLA submissions and lead to changes in the FDA' s review requirements that have been previously communicated to us and our interpretation thereof. Those could include changes to requirements for clinical data or clinical trial design, and such changes could delay approval or necessitate withdrawal of our BLA submissions. If approved for marketing by applicable regulatory authorities, our ability to generate revenue from our product candidates will depend on our ability to: • price our products competitively such that third- party and government reimbursement permits broad product adoption; • demonstrate the superiority of our products compared to the standard of care, as well as other therapies in development; • create market demand for our product candidates; • effectively commercialize any of our products that receive regulatory approval; • manufacture product in sufficient quantities, and at acceptable quality, timing and cost, to meet commercial demand at launch and thereafter; • establish and maintain agreements with wholesalers, distributors, pharmacies, and group purchasing organizations on commercially reasonable terms; • obtain, maintain, protect and enforce patent and other intellectual property rights and regulatory exclusivity for our products; • maintain compliance with applicable laws, regulations, and guidance specific to commercialization, including interactions with health care professionals, patient advocacy groups, and communication of health care economic information to payors and formularies; • achieve market acceptance of our products by patients, the medical community, and third- party payors; • maintain a distribution and logistics network capable of product storage within our specifications and regulatory guidelines, and further capable of timely product delivery to commercial clinical sites; and • assure that our product will be used as directed and that additional unexpected safety risks will not arise. Our ongoing and planned clinical trials, even if successfully completed, may not be sufficient for approval of our product candidate for the applicable indication. FDA approval of a new biologic or drug generally requires dispositive data from two well-controlled, Phase 3 clinical trials of the relevant biologic or drug in the relevant patient population. In ~~certain indications, for example uveitis and TED, our development plan is to conduct a Phase 2b / 3 trial, in each case designed to be the first of two registrational trials in the applicable indication. We do not have any formal agreement or guidance from the FDA that our regulatory development plans will be sufficient for submission of a BLA. If the FDA does not agree with our planned strategy, the FDA may ultimately require more Phase 3 clinical trials prior to approval in such indications. In~~ addition, the standard of care may change with the approval of new products in the same indications that we are studying. This may result in the FDA or other regulatory agencies requesting additional trials to show that our product candidate is superior to the new products, such as an additional comparative trial against an approved therapy, which would significantly delay our development timelines and require substantially more resources. In addition, the FDA may only allow us to evaluate a subset of participants that have failed or who are ineligible for approved therapies, which are extremely difficult participants to treat and participants with advanced and aggressive disease, and our product candidates may fail to improve outcomes for such participants. Generally speaking, Phase 3 clinical trials typically involve hundreds of patients, have significant costs and take years to complete. If we are in the future required to conduct additional Phase 3 clinical trials for ~~uveitis or~~ TED, then our development timeline will be significantly extended, and the related expenses will be significantly increased. Additionally, even if such trials are completed, they may not ultimately be sufficient to achieve health authority approval in one or more indications. In addition, if the FDA grants approval for our product candidates then, as a condition for approval, the FDA may require us to perform post- marketing studies to verify and describe the predicted effect on irreversible morbidity or mortality or other clinical endpoint, and our product candidates may, even if approved, be subject to withdrawal procedures by the FDA. Our clinical trial results may also not support approval. In addition, our product candidates could fail to receive regulatory approval for many reasons, including the following: • the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our

clinical trials; • we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that our product candidates are safe and effective for any of their proposed indications; • the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval, including due to the heterogeneity of patient populations, participant discontinuation rates, or apparent improvement in trial participants receiving placebo ~~such as those observed in week 16 results of Part B of the Phase 2b trial of izokibep in HS~~ ; • we may be unable to demonstrate that our product candidates' clinical and other benefits outweigh their safety risks; • the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials; • the data collected from clinical trials of our product candidates may not be sufficient to the satisfaction of the FDA or comparable foreign regulatory authorities to support the submission of a BLA or other comparable submission in foreign jurisdictions or to obtain regulatory approval in the U. S. or elsewhere; • the FDA, EMA or comparable foreign regulatory authorities will evaluate any combination product designs, review CMOs' manufacturing process and inspect our CMOs' commercial manufacturing facilities and may not approve of such; and • the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval **. The implementation of our Restructuring Plan may not be successful. In August 2024, we implemented a Restructuring Plan which included the suspension of internal development of izokibep in HS, PsA and AxSpA and in connection therewith, implemented a workforce reduction affecting approximately 1 / 3 of our then- existing headcount. The objective of the Restructuring Plan was to focus our efforts primarily on the development of lonigutamab as a potential treatment for TED and to realign our workforce to meet our needs in light of our plan to wind- down internal development of izokibep in those indications. However, our decision to focus our efforts primarily on lonigutamab for the treatment of TED may be unsuccessful and may never lead to the development of a viable commercial product. Moreover, on February 6, 2025, we announced that, in connection with our entry into the Merger Agreement, we would delay initiation of the Phase 3 LONGITUDE program for lonigutamab until the closing of the Merger and that we planned to re- evaluate the development program for lonigutamab to enable potential confirmation of its differentiation in a capital efficient manner. The Restructuring Plan may yield unintended consequences and costs, such as attrition beyond our intended workforce reduction, a reduction in morale among our remaining employees, and the risk we may not achieve the anticipated cost preservation or other benefits of the Restructuring Plan, all of which could adversely affect our business, financial condition, results of operations and prospects. In addition, while positions have been eliminated, certain functions necessary to our continued operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. We may also discover that the Restructuring Plan will make it difficult for us to resume development activities we have suspended or to pursue new initiatives, requiring us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. Any of these unintended consequences could have a material adverse impact on our business, financial condition, results of operations and prospects** . If our product candidates, if approved, do not achieve broad market acceptance, the revenue that we generate from their sales will be limited. We have never commercialized a product candidate for any indication. Even if our product candidates are approved by the appropriate regulatory authorities for marketing and sale, they may not gain acceptance among physicians, patients, third- party payors and others in the medical community. If any product candidate for which we obtain regulatory approval does not gain an adequate level of market acceptance, we may not generate sufficient product revenue or become profitable. The degree of market acceptance of any of our product candidates will depend on a number of factors, some of which are beyond our control, including: • the safety, efficacy, tolerability and relative ease of administration of our product candidates, including the potential prevalence and severity of side effects and adverse events, and how such profile compares to those of existing therapies, or those under development; • the indications for which the products are approved and the approved claims that we may make for the products; • limitations or warnings contained in the products' FDA- approved labeling, including ones that may be more restrictive than other competitive products; • distribution and use restrictions imposed by the FDA with respect to such products or to which we agree as part of a mandatory REMS or voluntary risk management plan; • changes in the standard of care for the targeted indications for such product candidates; • cost of treatment as compared to the clinical benefit in relation to alternative treatments or therapies; • the availability of adequate coverage and reimbursement by third parties, such as insurance companies and other healthcare payors, and by government healthcare programs, including Medicare and Medicaid; • the extent and strength of our marketing and distribution of such product candidates; • other potential advantages of, and availability of, alternative treatments already used or that may later be approved for any of our intended indications; • the timing of market introduction of such product candidates, as well as competitive products; • the reluctance of physicians to switch their patients' current standard of care; • our ability to offer such product candidates for sale at competitive prices; • the ability to manage our third- party supply and manufacturing operations effectively and in a cost- effective manner, while increasing production capabilities for our current product candidates to commercial levels; • the quality and timely supply of our raw material and components from our third- party manufacturers' suppliers; • adverse publicity about our product or favorable publicity about competitive products; and • potential product liability claims. Our efforts to educate the medical community and third- party payors as to the benefits of our product candidates may require significant resources and may never be successful. Even if the medical community accepts that our product candidates are safe and effective for their approved indications, physicians and patients may not immediately be receptive and may be slow to adopt them as an accepted treatment of the approved indications. If our current or future product candidates are approved, but do not achieve an adequate level of acceptance among physicians, patients, and third- party payors, we may not generate meaningful revenue from our product candidates and may never become profitable. We will need to grow our organization, and we may experience difficulties in managing our growth and expanding our operations, which could adversely affect our business. As ~~of March 15, 2024, we had 130 full- time employees. As~~ our

development and commercialization plans and strategies develop, and as we operate as a public company, we expect to expand our employee base for managerial, operational, financial and other resources. In addition, we have limited experience in manufacturing and commercialization. As our product candidates enter and advance through preclinical studies and clinical trials, we expect to continue to need to expand our development and regulatory capabilities and contract with other organizations to provide manufacturing and other capabilities for us. In the future, we expect to have to manage additional relationships with collaborators or partners, suppliers and other organizations. Our ability to manage our operations and future growth will require us to continue to improve our operational, financial and management controls, reporting systems and procedures. We may not be able to implement improvements to our management information and control systems in an efficient or timely manner and may discover additional deficiencies in our existing systems and controls. Our inability to successfully manage our growth and expand our operations could adversely affect our business, financial condition, results of operations and prospects. We are dependent on the services of our management and other clinical and scientific personnel, and if we are not able to retain these individuals or recruit additional management or clinical and scientific personnel, our business will suffer. Our success depends in part on our continued ability to attract, retain and motivate highly qualified management, clinical and scientific personnel. We are highly dependent ~~upon our Founder~~ **on the efforts** and **abilities of the principal members of our senior management** ~~Chief Executive Officer, Shao- Lee Lin, M. D., Ph. D.,~~ and other **key personnel** ~~members of our management team~~ . The loss of services of any of these individuals could delay or prevent the successful development of our product ~~pipeline, initiation or completion of our preclinical studies and clinical trials or the commercialization of our product~~ candidates **and prevent us from achieving our business objectives** . Although we have executed employment agreements or offer letters with each member of our senior management team, these agreements are terminable at will with or without notice and, therefore, we may not be able to retain their services as expected ~~hiring qualified employees in the future~~ .We will need to expand and effectively manage our managerial,operational,financial and other resources in order to successfully pursue our clinical development and commercialization efforts.We may not be successful in **maintaining our unique company culture and** continuing to attract or retain qualified management and scientific and clinical personnel in the future due to the intense competition for qualified personnel among biopharmaceutical,biotechnology and other businesses,particularly in the Los Angeles area and the greater San Francisco Bay Area.If we are not able to attract,integrate,retain and motivate necessary personnel to accomplish our business objectives,we may experience constraints that will significantly impede the achievement of our development objectives,our ability to raise additional capital and our ability to implement our business strategy . We do not currently maintain " key person " life insurance on the lives of our executives or any of our employees. This lack of insurance means that we may not have adequate compensation for the loss of the services of these individuals . We will need to expand and..... our ability to implement our business strategy . Our employees, independent contractors, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements. We are exposed to the risk of fraud or other illegal activity by our employees, independent contractors, consultants, commercial partners, CROs, CMOs and other parties. Misconduct by these parties could include intentional, reckless and / or negligent conduct that fails to comply with FDA or other regulations, provide true, complete and accurate information to the FDA, EMA and other similar foreign regulatory bodies, comply with manufacturing standards we may establish, comply with healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. If we obtain FDA approval of any of our product candidates and begin commercializing those products in the United States, our potential exposure under these laws will increase significantly, and our costs associated with compliance with these laws are likely to increase. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self- dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. 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 such 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 material and adverse effect on our business, financial condition, results of operations and prospects, including the imposition of significant civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, the curtailment or restructuring of our operations, loss of eligibility to obtain approvals from the FDA, exclusion from participation in government contracting, healthcare reimbursement or other government programs, including Medicare and Medicaid, integrity oversight and reporting obligations, or reputational harm. Our future growth may depend, in part, on our ability to operate in foreign markets, where we would be subject to additional regulatory burdens and other risks and uncertainties. Our future growth may depend, in part, on our ability to develop and commercialize our product candidates in foreign markets, including in the European Union (" EU "), United Kingdom (" UK ") and Japan, for which we may rely on collaboration with third parties. We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the applicable regulatory authority in that foreign market and may never receive such regulatory approval for any of our product candidates. To obtain separate regulatory approval in many other countries, we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy and governing, among other things, clinical trials and commercial sales, pricing and distribution of our product candidates, and we cannot predict success in these jurisdictions. If we fail to comply with the regulatory requirements in international markets and receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business will be adversely affected. We may not obtain

foreign regulatory approvals on a timely basis, if at all. Our failure to obtain approval of any of our product candidates by regulatory authorities in another country may significantly diminish the commercial prospects of that product candidate and our business, financial condition, results of operations and prospects could be adversely affected. Moreover, even if we obtain approval of our product candidates and ultimately commercialize our product candidates in foreign markets, we would be subject to the risks and uncertainties, including the burden of complying with complex and changing foreign regulatory, tax, accounting and legal requirements and reduced protection of intellectual property rights in some foreign countries. Our business entails a significant risk of product liability and our ability to obtain sufficient insurance coverage could adversely affect our business, financial condition, results of operations and prospects. As we conduct clinical trials of our current or future product candidates, we are exposed to significant product liability risks inherent in the development, testing, manufacturing and marketing of new treatments. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in FDA, EMA or other investigation of the safety and effectiveness of our future product candidates, our manufacturing processes and facilities or our marketing programs and potentially a recall of our products or more serious enforcement action, limitations on the approved indications for which they may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our product candidates, termination of clinical trial sites or entire trial programs, withdrawal of clinical trial participants, injury to our reputation and significant negative media attention, significant costs to defend the related litigation, a diversion of management' s time and our resources from our business operations, substantial monetary awards to trial participants or patients, loss of revenue, the inability to commercialize any products that we may develop, and a decline in our stock price. We may need to obtain higher levels of product liability insurance for later stages of clinical development or marketing any of our product candidates. Any insurance we may obtain may not provide sufficient coverage against potential liabilities. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to obtain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could adversely affect our business, financial condition, results of operations and prospects. Our insurance policies are expensive and only protect us from some business risks, which will leave us exposed to significant uninsured liabilities. We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include workers' compensation, cybersecurity, clinical trials, and directors' and officers' liability insurance. We do not know, however, if we will be able to maintain insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our business, financial condition, results of operations and prospects. ~~We expect to~~ **If the Merger is not completed, we may** engage in strategic transactions in the future, which could impact our liquidity, increase our expenses and present significant distractions to our management. As a core part of our strategy, **if the merger is not completed,** we **may** ~~intend to~~ enter into strategic transactions, including acquisitions of companies, asset purchases and in- licensing of intellectual property with the potential to acquire and advance new assets or product candidates where we believe we are well qualified to optimize the development of promising therapies. Our ability to realize the anticipated benefits of an acquisition will depend, to a large extent, on our ability to continue the development of assets, technologies and programs we acquire. The expected synergies in development programs, pipelines and other areas of focus may not be realized on a timely basis or at all, and there may be risks associated with the acquisition that we did not previously anticipate. For example, we may learn of unanticipated liabilities that we have assumed in any acquisition. Additional potential transactions that we may consider in the future include a variety of business arrangements, including strategic partnerships, in- licensing of product candidates, strategic collaborations, joint ventures, restructurings, divestitures, business combinations and investments. Any future transactions could increase our near and long- term expenditures, result in potentially dilutive issuances of our equity securities, including our common stock, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in- process research and development expenses, any of which could affect our financial condition, liquidity and results of operations. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transactions may never be successful and may require significant time and attention of our management. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition. Accordingly, although there can be no assurance that we will undertake or successfully complete any additional transactions of the nature described above, any additional transactions that we do complete could adversely affect our business, financial condition, results of operations and prospects. Our ability to use our net operating loss (" NOL ") carryforwards and certain other tax attributes to offset taxable income or taxes may be limited. We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. As of December 31, ~~2023~~ **2024**, we had federal NOL carryforwards of $ ~~92~~ **159**. 7 million and state NOL carryforwards of $ ~~6~~ **5**. 8 million. Under the Internal Revenue Code of 1986, as amended (the Code), our U. S. federal net operating losses will not expire and may be carried forward indefinitely but the deductibility of federal net operating losses is limited to no more than 80 % of current year taxable income (with certain adjustments). In addition, under Sections 382 and 383 of the Code, if a corporation undergoes an " ownership change, " generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three- year period, the corporation' s ability to use its pre- change NOL carryforwards and other pre- change tax attributes to offset its post- change income or taxes may be limited. We have experienced ownership changes in the past ~~, including in 2023~~. We completed a Section 382 analysis through December 31, 2023, ~~and concluded that although~~ **the most recent year we experienced** an ownership change **. Our** ~~had occurred, the Company' s~~ net operating losses and credits were substantially free of limitations as of December 31, 2023. Similar provisions of state tax law may also apply to limit our use of accumulated **NOLs and other** state tax attributes. In addition, at the state level, there may be periods during which the use of net operating losses is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. As a result, we may

be unable to use all or a material portion of our net operating losses and other tax attributes, which could adversely affect our future cash flows. Recent and future changes to tax laws could materially adversely affect our company. The tax regimes we are subject to or operate under, including with respect to income and non- income taxes, are unsettled and may be subject to significant change. Changes in tax laws, regulations, or rulings, or changes in interpretations of existing laws and regulations, could materially adversely affect our company. For example, the Tax Cuts and Jobs Act, the Coronavirus Aid, Relief, and Economic Security Act, and the Inflation Reduction Act (the " IRA ") enacted many significant changes to the U. S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to such legislation may affect us, and certain aspects thereof could be repealed or modified in future legislation. For example, the IRA includes provisions that will impact the U. S. federal income taxation of certain corporations, including imposing a 15 % minimum tax on the book income of certain large corporations and a 1 % excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. In addition, many countries in Europe, as well as a number of other countries and organizations (including the Organization for Economic Cooperation and Development and the European Commission), have proposed, recommended, or (in the case of countries) enacted or otherwise become subject to changes to existing tax laws or new tax laws that could significantly increase our tax obligations in the countries where we do business or require us to change the manner in which we operate our business. If our internal information technology systems, or those used by our CROs, CMOs, clinical sites or other contractors ~~or~~ **,** consultants **and service providers** upon which we rely, or our data are or were compromised, become unavailable or suffer security breaches, loss or leakage of data or other disruptions, we could suffer material adverse consequences resulting from such compromise, including but not limited to, operational or service interruption, harm to our reputation, litigation, fines, penalties and liability, compromise of sensitive information related our business, and other adverse consequences. In the ordinary course of our business, we, and the third parties upon which we rely, process **confidential and** sensitive data and as a result, we and the third parties upon which we rely face a variety of evolving threats which could cause security incidents. Our internal information technology systems and those of our CROs, CMOs, clinical sites and other contractors ~~and~~ **,** consultants **and service providers** upon which we rely are vulnerable to cyberattacks, computer viruses, bugs, worms, or other malicious codes, malware (including as a result of advanced persistent threat intrusions), and other attacks by computer hackers, cracking, application security attacks, social engineering ~~(including through deep fakes, which may be increasingly more difficult to identify as fake, phishing attacks and impersonation of employees)~~ , supply chain attacks and vulnerabilities through our third- party service providers, **distributed** denial- of- service attacks, credential stuffing, credential harvesting, personnel misconduct or error, 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. 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. In particular, ransomware attacks, including those from organized criminal threat actors, nation-states and nation- state supported actors, are becoming increasingly prevalent and severe and can lead to significant interruptions, delays, or outages in our operations, loss of data (including sensitive customer information), loss of income, significant extra expenses to restore data or systems, reputational loss and the diversion of funds. To alleviate the negative impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so (including, for example, if applicable laws or regulations prohibit such payments). Some **threat** actors also now engage and are expected to continue to engage in cyber- attacks, including without limitation nation- state actors, for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties upon which we rely, and our customers 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. In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, 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. Furthermore, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Additionally, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program. While we have implemented security measures to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate and remediate vulnerabilities in our information systems (such as our hardware and / or software, including that of third parties upon which we rely). We may not, however, be able to detect, mitigate and remediate all such vulnerabilities, including in a timely manner. Vulnerabilities could be exploited but may not be detected until after a security incident has occurred. Further, we may experience delays in developing and deploying remedial measures and patches designed to address any such identified vulnerabilities. We rely on third- party service providers and technologies to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud- based infrastructure, encryption and authentication technology, employee email, and other functions. We also rely on third- party service providers **such as CROs, CMOs, clinical sites and other contractors and consultants** to assist with our clinical trials, provide other products or services, 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 our third- party service providers

experience a security incident or other interruption, we could experience adverse consequences. We cannot assure you that our contractual measures and our own privacy and security- related safeguards will protect us from the risks associated with the third- party processing of such information. 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. In addition, 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 that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our information technology systems (including our services) or the third- party information technology systems that support us and our services. Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive data 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 services including clinical trials. The costs related to significant security breaches or disruptions could be material and cause us to incur significant expenses. If the information technology systems of our CROs, CMOs, clinical sites and other contractors ~~and~~ **,** consultants **and service providers** become subject to disruptions or security incidents, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring. If any such incidents were to occur and cause interruptions in our operations, it could result in a disruption of our business and development programs. For example, the loss of clinical trial data from completed or ongoing clinical trials for a product candidate could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data, or may limit our ability to effectively execute a product recall, if required in the future. To the extent that any disruption or security incident were to result in the loss of or damage to our data or applications, or inappropriate disclosure of personal, confidential or proprietary information, we could incur liability and the further development of any product candidates could be delayed. Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents, including individuals, customers, regulators and investors **, or to implement other requirements, such as providing credit monitoring** . Such disclosures ~~are~~ **and compliance with such requirements can be** costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. Any such event could also result in legal claims or proceedings, liability under laws that protect the privacy of personal information and significant regulatory penalties, and damage to our reputation and a loss of confidence in us and our ability to conduct clinical trials, which could delay the clinical development of our product candidates. 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~~ **While we maintain cybersecurity insurance coverage, 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. Our operations are concentrated in one location, and we or the third parties upon whom we depend may be adversely affected by a wildfire and earthquake or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster. Our current operations are predominantly located in California. Any unplanned event, such as flood, wildfire, explosion, earthquake, extreme weather condition, medical epidemic, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us being unable to fully utilize our facilities may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Any similar impacts of natural or manmade disasters on our third- party CMOs, CROs or other vendors located globally, could cause delays in our clinical trials and may have a material and adverse effect on our ability to operate our business and have significant negative consequences on our financial and operating conditions. If a natural disaster, power outage or other event occurred that prevented us from using our clinical sites, impacted clinical supply or the conduct of our clinical trials, that damaged critical infrastructure, such as the manufacturing facilities of our third- party CMOs, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we and our CMOs and CROs or other vendors have in place may prove inadequate in the event of a serious disaster or similar event. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our CMOs, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our development programs may be harmed. Any business interruption could adversely affect our business, financial condition, results of operations and prospects. Our projections regarding the market opportunities for our product candidates may not be accurate, and the actual market for our products may be smaller than we estimate. The precise incidence and prevalence for all the conditions we aim to address with our product candidates are unknown. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including sales of our competitors, scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect in general, or as to their applicability to our company. Further, new trials may change the estimated incidence or prevalence of these diseases. The total addressable market across ~~all of~~ our product candidates will ultimately depend upon, among other things, the diagnosis criteria included in the final label for each of our product candidates approved for sale for these indications, the ability of our product candidates to improve on the safety, convenience, cost and efficacy of competing

therapies or therapies in development, acceptance by the medical community and patients, drug pricing and reimbursement. The number of patients in the United States and other major markets and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with our product candidates or new patients may become increasingly difficult to identify or gain access to, all of which would adversely affect our business, financial condition, results of operations and prospects. Further, even if we obtain significant market share for our product candidates, because some of our potential target populations are very small, we may never achieve profitability despite obtaining such significant market share. Our business could be adversely affected by the effects of health pandemics or other health crises, which could cause significant disruptions in our operations and those of our CMOs, CROs and other third parties upon whom we rely. Health pandemics or other health crises, ~~including~~ **such as** COVID- 19, have in the past and could again in the future result ~~in~~ in a disruption of our businesses, delay our research and development programs and timelines, negatively impact productivity and increase risks associated with cybersecurity. More specifically, these types of events may negatively impact personnel at third- party manufacturing facilities or the availability or cost of materials, which could disrupt our supply chain. Moreover, our trials may be negatively affected. Clinical site initiation and patient enrollment may be delayed due to prioritization of hospital resources. Some patients may not be able or willing to comply with trial protocols if wide spread health crisis impede patient movement or interrupt healthcare services. Our ability to recruit and retain patients, principal investigators and site staff (who as healthcare providers may have heightened exposure) may be hindered, which would adversely affect our trial operations. In addition, we rely on independent clinical investigators, CROs and other third- party service providers to assist us in managing, monitoring and otherwise carrying out our preclinical studies and clinical trials, including the collection of data from our trials, and the effects of health pandemics or other health crises may affect their ability to devote sufficient time and resources to our programs. As a result, the expected timeline for data readouts, including incompleteness in data collection and analysis and other related activities, and certain regulatory filings may be negatively impacted, which would adversely affect our ability to obtain regulatory approval for and to commercialize our product candidates, increase our operating expenses and adversely affect our business, financial condition, results of operations and prospects. In addition, impact on the operations of the FDA or other regulatory authorities could negatively affect our planned trials and approval processes. Finally, economic conditions and business activity may be negatively impacted and may not recover as quickly as anticipated. Our cash ~~and~~ **,** cash equivalents **and restricted cash** may be exposed to failure of our banking institutions. We seek to minimize our exposure to third- party losses of our cash ~~and~~ **,** cash equivalents ~~,~~ **and restricted cash** we hold our balances in multiple financial institutions. Notwithstanding, those institutions are subject to risk of failure ~~. For example, past events surrounding certain banks, including Silicon Valley Bank (" SVB "), First Republic Bank and Signature Bank, created temporary uncertainty on their customers' cash deposits in excess of Federal Deposit Insurance Corporation limits prior to actions taken by governmental entities~~ . If failures in financial institutions occur where we hold deposits in the future, such events could have a material impact on our cash ~~and~~ **,** cash equivalents **and restricted cash** ~~balance~~ **balances** , expected results of operations or financial performance, and any such loss or limitation on our cash ~~and~~ **,** cash equivalents **and restricted cash** would adversely affect our business. Public opinion and scrutiny of immunology treatments may impact public perception of our company and product candidates, or may adversely affect our ability to conduct our business and our business plans. Public perception may be influenced by claims, such as claims that our product candidates are unsafe, unethical or immoral and, consequently, our approach may not gain the acceptance of the public or the medical community. Negative public reaction to immunology treatments in general could result in greater government regulation and stricter labeling requirements of products to treat immunological diseases, including any of our product candidates, if approved, and could cause a decrease in the demand for any product candidates we may develop. For example, certain participants in Phase 2 and Phase 3 trials for the sole currently- approved therapy in TED reported developing hearing impairment symptoms. If the public or medical professionals associate these side effects with all IGF- 1R therapies, market acceptance of our product candidate lonigutamab, if approved, may be negatively impacted. ~~Similarly, side effects generally associated with IL- 17A inhibitors may negatively impact public perception of us or izokibep.~~ Adverse public attitudes may also adversely impact our ability to enroll clinical trials. Moreover, our success will depend upon physicians specializing in the treatment of those diseases that our product candidates target prescribing, and their patients being willing to receive, treatments that involve the use of our product candidates in lieu of, or in addition to, existing treatments they are already familiar with and for which greater clinical data may be available. Adverse events in our clinical trials, even if not ultimately attributable to our product candidates, and the resulting publicity could result in withdrawal of clinical trial participants, increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of our product candidates, stricter labeling requirements for those product candidates that are approved and a decrease in demand for any such product candidates. More restrictive government regulations or negative public opinion could have an adverse effect on our business, financial condition, results of operations and prospects, and may delay or impair the development and, if approved, commercialization of our product candidates or demand for any products we may develop ~~. We have material weaknesses in our internal control over financial reporting. If we fail to remediate these material weaknesses, or if we experience additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock. We previously identified material weaknesses in the design and operating effectiveness of our internal control over financial reporting related to the fact that we lacked a sufficient number of professionals to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives. The lack of sufficient number of professionals further contributed to additional material weaknesses in the design and maintenance of: (i) an effective risk assessment process at a precise enough level to identify new and evolving risks of material misstatement in the consolidated financial statements and (ii) effective controls over the segregation of duties related to journal entries and account reconciliations. Specifically, certain personnel had the ability to both (i) create and post journal entries within the company' s~~

~~general ledger system and (ii) prepare and review account reconciliations without a review performed by someone without conflicting duties. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Through our hiring of necessary personnel and testing of related internal controls for design and operating effectiveness, we have determined that the material weakness related to insufficient accounting personnel was remediated as of December 31, 2023. However, we determined that the other identified material weaknesses, in the design and maintenance of an effective risk assessment process and controls over segregation of duties, remained unremediated as of December 31, 2023. The controls we have implemented, described further below, have not operated for a sufficient period of time and management has not yet concluded, through testing, that such controls are effective. Such material weaknesses could result in a misstatement of substantially all of our accounts or disclosures that would result in a material misstatement of our annual or interim financial statements that would not be prevented or detected. We have taken and will continue to take certain measures to remediate the material weaknesses described above. We designed and implemented a comprehensive risk assessment process to identify and design our control activities and we continue to assess risks on a continuous basis to timely identify new exposures or risk categories as business practices change. We also designed and implemented preventive and detective controls over the segregation of duties related to journal entries and account reconciliations. Specifically, we restricted the ability for one individual to both (i) create and post a journal entry in the general ledger and (ii) prepare and review account reconciliations. While we believe these measures will remediate the material weaknesses identified and strengthen our internal control over financial reporting, the material weaknesses will not be considered remediated until the controls described above operate for a sufficient period of time and management has concluded, through testing, that these controls are effective. The measures we have taken to date, may not be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. If the steps we take do not correct these material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis. If we fail to remediate our existing material weaknesses or continue to identify new material weaknesses in our internal control over financial reporting, if we are unable to comply with the disclosure and attestation requirements of Section 404 of the Sarbanes- Oxley Act in a timely manner, if we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to conclude that our internal control over financial reporting is effective when we are no longer an emerging growth company, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result, we could also become subject to investigations by the Nasdaq Global Select Market, the SEC or other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation and financial condition or divert financial and management resources from our regular business activities~~ . Risks Related to Intellectual Property If we are unable to obtain and maintain sufficient intellectual property protection for our product candidates and any future product candidates we may develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors or other third parties could develop and commercialize products similar or identical to ours, and our ability to successfully develop and commercialize our product candidates may be adversely affected. We rely upon a combination of patents, know- how and confidentiality agreements to protect the intellectual property related to our product candidates and technologies and to prevent third parties from copying and surpassing our achievements, thus eroding our competitive position in our market. Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries for our product candidates and their uses, as well as our ability to operate without infringing, misappropriating or otherwise violating the proprietary rights of others. We seek to protect our proprietary position by filing patent applications in the United States and abroad related to our novel discoveries and technologies that are important to our business. Although we in- license issued patents, we do not own any issued patents and our pending and future patent applications may not result in patents being issued. We cannot assure you that issued patents will afford sufficient protection of our product candidates or their intended uses against competitors, nor can there be any assurance that the patents issued will not be infringed, designed around, invalidated by third parties, or effectively prevent others from commercializing competitive technologies, products or product candidates. Obtaining and enforcing patents is expensive and time- consuming, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications or maintain and / or enforce patents that may issue based on our patent applications, at a reasonable cost or in a timely manner. We may not be able to obtain or maintain patent applications and patents due to the subject matter claimed in such patent applications and patents being in disclosures in the public domain. It is also possible that we will fail to identify patentable aspects of our research and development results before it is too late to obtain patent protection. Although we enter into non- disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, CROs, CMOs, consultants, 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. Consequently, we may not be able to prevent any third parties from using any of our technology that is in the public domain to compete with our technologies or product candidates. Composition of matter patents for biological and pharmaceutical product candidates often provide a strong form of intellectual property protection for those types of products, as such patents provide protection without regard to any method of use. However, we cannot be certain that the claims in our or our collaborators' or licensors' pending patent applications directed to composition of matter of our product candidates will be considered patentable by the United States Patent and Trademark Office (" USPTO ") or by patent offices in foreign countries, or that the claims in any of our or our licensors' issued patents will be considered valid and enforceable by courts in the United States or foreign countries. Method of

use patents protect the use of a product for the specified method. This type of patent does not prevent a competitor from making and marketing a product that is identical to our product candidates for an indication that is outside the scope of the patented method. Moreover, even if competitors do not actively promote their product for our targeted indications, clinicians may prescribe these products " off- label. " Although off- label prescriptions may infringe or contribute to the infringement of method of use patents, the practice is common and such infringement is difficult to prevent or prosecute. The patent position of biopharmaceutical 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. As a result, the issuance, scope, validity, enforceability and commercial value of any patent rights are highly uncertain. Our pending and future owned and in- licensed patent applications may not result in patents being issued which protect our technologies or product candidates, effectively prevent others from commercializing our technologies or product candidates or otherwise provide any competitive advantage. In fact, patent applications may not issue as patents at all. The coverage claimed in a patent application can also be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa. The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we will be successful in protecting our product candidates by obtaining and defending patents. For example, we may not be aware of all third- party intellectual property rights potentially relating to our product candidates or their intended uses, and as a result the impact of such third- party intellectual property rights upon the patentability of our own or our licensors' patents and patent applications, as well as the impact of such third- party intellectual property upon our freedom to operate, is highly uncertain. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. If a third party can establish that we or our licensors were not the first to make or the first to file for patent protection of such inventions, our owned or licensed patent applications may not issue as patents and even if issued, may be challenged and invalidated or rendered unenforceable. As a result, the issuance, inventorship, scope, validity, enforceability and commercial value of our or our licensors' patent rights are highly uncertain. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability and our or our licensors' pending patent applications may be challenged in patent offices in the United States and abroad. Even issued patents may later be found invalid or unenforceable or may be modified or revoked in proceedings instituted by third parties before various patent offices or in courts. For example, our or our licensors' pending patent applications may be subject to third- party pre- issuance submissions of prior art to the USPTO or our issued patents may be subject to post- grant review (" PGR ") proceedings, oppositions, derivations, reexaminations, interferences, inter partes review (" IPR ") proceedings or other similar proceedings, in the United States or elsewhere, challenging our or our licensors' patent rights or the patent rights of others. Such submissions may also be made prior to a patent' s issuance, precluding the granting of a patent based on one or more of our owned or licensed pending patent applications. An adverse determination in any such challenges may result in loss of exclusivity or in patent claims being narrowed, invalidated, or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and product candidates, or limit the duration of the patent protection of our technology and product candidates. Such challenges also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects. A third party may also claim that our owned or licensed patent rights are invalid or unenforceable in a litigation. The outcome following legal assertions of invalidity and unenforceability is unpredictable. An adverse result in any legal proceeding could put one or more of our owned or in- licensed patents at risk of being invalidated or interpreted narrowly and could allow third parties to commercialize our products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize our technology, products or product candidates without infringing third- party patent rights. In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. The degree of future protection for our proprietary rights is uncertain. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. Any failure to obtain or maintain patent protection with respect to our product candidates or their uses could adversely affect our business, financial condition, results of operations and prospects. We have in- licensed issued patents, but we do not currently own any issued patents relating to our technology, products and product candidates. Although we exclusively in- license issued patents from licensor and collaborators related to ~~izokibep,~~ lonigutamab ~~, and SLRN- 517~~, we do not own any issued patents. We cannot be certain that the claims in our U. S. pending patent applications, corresponding international patent applications and patent applications in certain foreign jurisdictions, or those of our licensors, will be considered patentable by the USPTO, courts in the United States or by the patent offices and courts in foreign countries, nor can we be certain that any issued claims will not be found invalid or unenforceable if challenged. Additionally, our provisional applications may never result in issued patents. Accordingly, there can be no assurance that we or our licensors will obtain any additional issued patents or that any issued patents we or our licensors obtain will provide us with any competitive advantage. Any failure to obtain adequate patent protection for our product candidates and technology could adversely affect our business, financial condition, results of operations and prospects. Our rights to develop and commercialize our product candidates are subject, in large part, to the terms and conditions of licenses granted to us by others, such as ~~Affibody and~~ Pierre Fabre. If we fail to comply with our obligations in the agreements under which we in- license or acquire development or commercialization rights to product candidates, or data from third parties, we could lose such rights that are important to our business. We are heavily reliant upon licenses to certain

patent rights and other intellectual property that are important or necessary to the development of ~~izokibep and~~ lonigutamab ~~or our other product candidates~~. For example, we depend on licenses from ~~Affibody and~~ Pierre Fabre for certain intellectual property relating to the development and commercialization of ~~izokibep and~~ lonigutamab, respectively ~~. However~~, ~~we have no development, commercialization, and manufacturing rights for izokibep~~ in **specific territories** ~~Mainland China, Hong Kong, Macau, South Korea and Taiwan as well as development rights in certain other Asia- Pacific countries, including, without limitation, Australia, India, New Zealand and Singapore, all of which rights have been granted by Affibody to Inmagene Biopharmaceuticals (" Inmagene "), under a pre- existing license agreement (the " Inmagene Agreement ")~~. ~~Affibody and~~ Pierre Fabre may have relied upon, and any future licensors may rely upon, third- party companies, consultants or collaborators, or on funds from third parties such that our licensors are not the sole and exclusive owners of the patents we in- licensed. If our licensors, including ~~Affibody and~~ Pierre Fabre, fail to prosecute, maintain, enforce, and defend such patents, or lose rights to those patents, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize ~~izokibep,~~ lonigutamab ~~or our other product candidates that are or may be the subject of such licensed rights~~ could be adversely affected. Further development and commercialization of ~~izokibep,~~ lonigutamab ~~,~~ and development of any other ~~current or~~ future product candidates may require us to enter into additional license or collaboration agreements. For example, our licensors or other third parties may develop intellectual property covering ~~izokibep and~~ lonigutamab which we have not licensed. Our future licenses may not provide us with exclusive rights to use the licensed patent rights and other intellectual property licensed thereunder, or may not provide us with exclusive rights to use such patent rights and intellectual property in all relevant fields of use and in all territories in which we wish to develop or commercialize ~~izokibep,~~ lonigutamab or our other product candidates in the future. In spite of our efforts, licensors such as ~~Affibody or~~ Pierre Fabre might conclude that we are in material breach of obligations under our license agreements and may therefore have the right to terminate the license agreements, thereby removing our ability to develop and commercialize product candidates and technology covered by such license agreements. If such in- licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, our competitors would have the freedom to seek regulatory approval of, and to market, products identical to our product candidates and the licensors to such in- licenses could prevent us from developing or commercializing product candidates that rely upon the patents or other intellectual property rights which were the subject matter of such terminated agreements. In addition, we may seek to obtain additional licenses from our licensors and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensors, including by agreeing to terms that could enable third parties (potentially including our competitors) to receive licenses to a portion of the intellectual property that is subject to our existing licenses and compete with our existing product candidates. Any of these events could adversely affect our business, financial condition, results of operations, and prospects. Disputes may arise regarding intellectual property subject to a licensing agreement, including: • the scope of rights granted under the license agreement and other interpretation- related issues; • our financial or other obligations under the license agreement; • the extent to which our processes infringe on intellectual property of the licensor that is not subject to the licensing agreement; • the sublicensing of patent and other rights under our collaborative development relationships; • our diligence obligations under the license agreement and what activities satisfy those obligations; • the inventorship or ownership of inventions and know- how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and • the priority of invention of patented technology. In addition, our license agreements are, and future license agreements are likely to be, 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 increase what we believe to be our financial or other obligations under the relevant agreement, either of which could adversely affect our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates, which could adversely affect our business, financial condition, results of operations, and prospects. We may not be successful in obtaining or maintaining necessary rights to our product candidates through acquisitions and in- licenses. Because our development programs may in the future 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 third- party 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 on commercially reasonable terms or at all. Even if we are able to in- license any such necessary intellectual property, it could be on nonexclusive terms, thereby giving our competitors and other third parties access to the same intellectual property licensed to us, and it could require us to make substantial licensing and royalty payments. The licensing and acquisition of third- party intellectual property rights is a competitive area, and a number of more established companies may pursue strategies to license or acquire third- party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We 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 or at all. If we are unable to successfully obtain rights to required third- party intellectual property rights or maintain the existing intellectual property rights we have obtained, we may have to abandon development of the relevant program or product candidate, which could adversely affect our business, financial condition, results of operations, and prospects. While we normally seek to obtain the right to control prosecution, maintenance and enforcement of the patents relating to our product candidates, there may be times when the filing and prosecution activities for patents and patent applications relating to our product candidates are controlled by our future licensors or collaboration partners. If any of our future licensors or collaboration partners fail to prosecute, maintain and enforce such patents and patent applications in a manner consistent with the best interests

of our business, including by payment of all applicable fees for patents covering our product candidates, we could lose our rights to the intellectual property or our exclusivity with respect to those rights, our ability to develop and commercialize those product candidates may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products. In addition, even where we have the right to control patent prosecution of patents and patent applications we have licensed to and from third parties, we may still be adversely affected or prejudiced by actions or inactions of our licensees, our future licensors and their counsel that took place prior to the date upon which we assumed control over patent prosecution. We may enter into license agreements in the future with others to advance our existing or future research or allow commercialization of our existing or future product candidates. These licenses may not provide exclusive rights to use such intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our technology and product candidates in the future. In that event, we may be required to expend significant time and resources to redesign our product candidates, or the methods for manufacturing them, all of which may not be feasible on a technical or commercial basis. If we are unable to do so, we may be unable to develop or commercialize the affected product candidates, which could harm our business, financial condition, results of operations, and prospects significantly. We cannot provide any assurances that third- party patents do not exist which might be enforced against our current manufacturing methods, product candidates, or future methods or product candidates resulting 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. We may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements. 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 product candidates or may elect not to continue or renew development or commercialization programs based on trial 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 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 future product candidates 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 future product candidates; • collaborators may own or co- own intellectual property covering our product candidates 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 cannot ensure that patent rights relating to inventions described and claimed in our or our licensors' pending patent applications will issue or that patents based on our or our licensors' patent applications will not be challenged and rendered invalid and / or unenforceable. The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we, our licensors, or any of our potential future collaborators will be successful in protecting our product candidates by obtaining and defending patents. We have several pending U. S. and foreign patent applications in our portfolio. 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 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 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; • whether the patent applications that we own will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries; and • whether, if pandemics or health crises arise, we may experience patent office interruption or delays to our ability to timely secure patent coverage to our product candidates. We cannot be certain that the claims in our or our licensors' pending patent applications directed to our product candidates and / or technologies will be considered patentable by the USPTO or by patent offices in foreign countries. There can be no assurance that any such patent applications will issue as granted patents. One aspect of the determination of patentability of our and our licensors' inventions depends on the scope and content of the " 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. There may be prior art of which we are not aware that may affect the patentability of our or our licensors' patent claims or, if issued, affect the validity or enforceability of a patent claim. Even if the patents do issue based on our or our licensors' patent applications, third parties may challenge the validity, enforceability or scope thereof, which may result in such patents being narrowed, invalidated or held unenforceable. Furthermore, even if they are unchallenged, patents in our and our licensors' portfolio may not adequately exclude third parties from practicing relevant technology or prevent others from designing around our claims. If the breadth or strength of our intellectual property position with respect to our product candidates is threatened, it could dissuade companies from collaborating with us to develop and threaten our ability to commercialize our product candidates. In the event of litigation or administrative proceedings, we cannot be certain that the

claims in any of our issued patents will be considered valid by courts in the United States or foreign countries. We may not be able to protect our intellectual property rights throughout the world. Patents are of national or regional effect. Filing, prosecuting and defending patents on all of our research programs and product candidates in all countries throughout the world would be prohibitively expensive, and our and our licensors' 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, even in jurisdictions where we do pursue patent protection. Consequently, we may not be able to prevent third parties from practicing our or our licensors' inventions in all countries outside the United States, even in jurisdictions where we or our licensors do pursue patent protection, or from selling or importing products made using our or our licensors' inventions in and into the United States or other jurisdictions. Competitors may use our or our licensors' 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 and our licensors have patent protection, but enforcement is not as strong as that in the United States. These competitor products may compete with our product candidates, and our and our licensors' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Various companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to pharmaceuticals, which could make it difficult for us to stop the infringement of our and our licensors' patents or marketing of competing products in violation of our proprietary rights. Various countries outside the United States have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. As a result, a patent owner may have limited remedies in certain circumstances, which could materially diminish the value of such patent. If we or our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected. 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. Further, the standards applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. As such, we do not know the degree of future protection that we will have on our technologies and product candidates. While we will endeavor to try to protect our technologies and product candidates with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time consuming, expensive and unpredictable. 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 pending patent applications that we own or the patents or patent applications that we license; • we or our licensors or future collaborators might not have been the first to make the inventions covered by the 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 or their inventions; • others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing or otherwise violating our owned or licensed intellectual property rights; • it is possible that noncompliance with the USPTO and foreign governmental patent agencies requirement for a number of procedural, documentary, fee payment and other provisions during the patent process can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction; • it is possible that our pending owned or licensed patent applications or those that we may own or license in the future will not lead to issued patents; • issued patents may be revoked, modified, or held invalid or unenforceable, as a result of legal challenges by our competitors; • others may have access to the same intellectual property rights licensed to us in the future on a non- exclusive basis; • 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; • we cannot predict the scope of protection of any patent issuing based on our and our licensors' patent applications, including whether the patent applications that we own, presently in- license, or, in the future, in- license will result in issued patents with claims that directed to our product candidates or uses thereof in the United States or in other foreign countries; • 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; • countries other than the United States may have patent laws less favorable to patentees than those upheld by U. S. courts, allowing foreign competitors a better opportunity to create, develop and market competing product candidates; • the claims of any patent issuing based on our patent applications may not provide protection against competitors or any competitive advantages, or may be challenged by third parties; • if enforced, a court may not hold that our patents, if they issue in the future, are valid, enforceable and infringed; • we may need to initiate litigation or administrative proceedings to enforce and / or defend our patent rights which will be costly whether we win or lose; • we may choose not to file a patent application in order to maintain certain trade secrets or know- how, and a third party may subsequently file a patent application covering such intellectual property; • we may fail to adequately protect and police our trademarks and trade secrets; and • the patents of others may have an adverse effect on our business, including if others obtain patents claiming subject matter similar to or improving that covered by our patent applications. Should any of these or similar events occur, they could significantly harm our business, financial condition, results of operations and prospects. We may not identify relevant third- party patents or may incorrectly interpret the relevance, scope or expiration of a third- party patent, which might adversely affect our ability to develop and market our product candidates. As the biopharmaceutical industry expands and more patents are

issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties. There can be no assurance that our operations do not, or will not in the future, infringe, misappropriate or otherwise violate existing or future third- party patents or other intellectual property rights. Identification of third- party patent rights that may be relevant to our operations is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. 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 or necessary for the commercialization of our product candidates in any jurisdiction. Numerous U. S. and foreign patents and pending patent applications exist in our market that are owned by third parties. 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. 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 U. S. 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, product candidates or the use of our product candidates. As such, there may be applications of others now pending or recently revived patents of which we are unaware. These patent applications may later result in issued patents, or the revival of previously abandoned patents, that may be infringed by the manufacture, use or sale of our technologies or product candidates or will prevent, limit or otherwise interfere with our ability to make, use or sell our technologies and product candidates. 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. For example, we may incorrectly determine that our product candidates 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. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our product candidates. We cannot provide any assurances that third- party patents and other intellectual property rights do not exist which might be enforced against our current technology, including our research programs, product candidates, 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. We may be involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time-consuming and unsuccessful. Competitors or other third parties may infringe our patents, trademarks or other intellectual property. To counter infringement or unauthorized use, we or one of our licensing partners 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. Our or our licensors' pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. Any claims we 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 or our licensors' patents are invalid or unenforceable, or both. In patent litigation in the United States, defendant counterclaims alleging invalidity and / or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement, insufficient written description or failure to claim patent- eligible subject matter. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. 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 of ours or our licensors 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 or our licensors' patent claims do not cover the invention, or decide that the other party' s use of our or our licensors' patented technology falls under the safe harbor to patent infringement under 35 U. S. C. § 271 (e) (1). An adverse outcome in a litigation or proceeding involving our or our licensors' patents could limit our ability to assert our or our licensors' 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. Any of these occurrences could adversely affect our competitive position, and our business, financial condition, results of operations and prospects. 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 adversely affect 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. Intellectual property rights of third parties could adversely affect our ability to commercialize ~~izokibep,~~ lonigutamab ~~, any of our other product candidates~~ or any future product candidates, and we, our licensors or collaborators, or any future strategic partners may become subject to third party claims or litigation alleging infringement of patents or other proprietary rights or seeking to invalidate patents or other proprietary rights. We might be required to litigate or obtain licenses from third parties in order to develop or market ~~izokibep,~~ lonigutamab ~~, any of our other product candidates~~ or any future product candidates. Such litigation or licenses could be costly or not available on commercially reasonable terms. Our commercial success depends, in part, on our ability to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties. Third parties may allege that we have infringed, misappropriated or otherwise violated 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 adversely affect our ability to compete in the marketplace. 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. We cannot be certain that our product candidates will not infringe existing or future patents owned by third parties. Third parties may assert infringement claims against us based on existing or future intellectual property rights, regardless of their merit. We may decide in the future to seek a license to such third- party patents or other intellectual property rights, but we might not be able to do so on reasonable terms. Proving patent 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. As this burden is a high one, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such United States patent or find that our technologies or product candidates do not infringe any such claims. If we are found to infringe, misappropriate or otherwise violate a third party' s intellectual property rights, we could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing technology or product candidate. Further, we may be required to redesign the technology or product candidate in a non- infringing manner, which may not be commercially feasible. 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, and it could require us to make substantial licensing and royalty payments. 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 technologies or product candidates or force us to cease some of our business operations, 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 not be aware of patents that have already been issued and that a third party, for example, a competitor in the fields in which we are developing our product candidates, might assert are infringed by our current or future product candidates, including claims to compositions, formulations, methods of manufacture or methods of use or treatment that cover our product candidates. It is also possible that patents owned by third parties of which we are aware, but which we do not believe are relevant to our product candidates, could be found to be infringed by our product candidates. In addition, because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our product candidates may infringe. 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. The pharmaceutical and biotechnology industries have produced a considerable 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 or methods of use 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, and there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U. S. patent. 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 adversely affect our business and operations. 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. In addition, we may not have sufficient resources to bring these actions to a successful conclusion. We may choose to challenge the enforceability or validity of claims in a third party' s U. S. patent by requesting that the USPTO review the patent claims in an ex- parte re- exam, inter partes review or post- grant review proceedings. These proceedings are expensive and may consume our time or other resources. We may choose to challenge a third party' s patent in patent opposition proceedings in the European Patent Office (" EPO "), or other foreign patent office. The costs of these opposition proceedings could be substantial and may consume our time or other resources. If we fail to obtain a favorable result at the USPTO, EPO or other patent office then we may be exposed to litigation by a third party alleging that the patent may be infringed by our product candidates. Our product candidates licensed from various third parties may be subject to retained rights. Our licensors may retain certain rights under the relevant agreements with us, including the right to use the underlying product candidates for academic and research use, to publish general scientific findings from research related to the product candidates, to make customary scientific and scholarly disclosures of information relating to the product candidates, or to develop or commercialize the licensed product candidates in certain regions. For example, we depend on our license and collaboration agreement with ~~Affibody~~ **Pierre Fabre** for the development of ~~izokibep~~ **lonigutamab** , which grants us ~~an~~ **certain** exclusive **licenses to certain patents, know- how and other intellectual property to develop, manufacture, use and commercialize lonigutamab for non- oncology therapeutic indications. The** license **includes** ~~to develop izokibep worldwide, subject to~~ certain ~~rights granted by Affibody to Inmagene under the Inmagene Agreement with respect to the development, commercialization and manufacturing of izokibep in certain Asian countries. Affibody has~~ retained rights **by Pierre Fabre, for example rights in oncology therapeutic indications, as well as their rights in the option territory described elsewhere** under **Note 7** ~~the license and collaboration agreement~~ to **our consolidated financial statements entitled " Significant** ~~the extent necessary to carry out its obligations for manufacturing under the Inmagene Agreement~~ **Agreements "** ~~. It is difficult to monitor whether Affibody or Inmagene, or any of our other licensors limit their use of the product candidates to these permitted uses, and we could incur substantial expenses to enforce our rights to our licensed product candidates~~ in ~~the event of misuse~~ **this Form 10- K** . In addition, the United States federal government retains certain rights in inventions produced with its financial assistance under the Patent and Trademark Law Amendments Act (" Bayh- Dole Act "). The federal government retains a " nonexclusive, nontransferable, irrevocable, paid- up license " for its own benefit. The Bayh- Dole Act also provides federal agencies with " march- in rights. " March- in rights allow the government, in specified circumstances, to require the contractor or successors in title to the patent to grant a " nonexclusive, partially exclusive, or exclusive license " to a " responsible applicant or applicants. " If the patent owner refuses to do so, the government may grant the license itself. We may at times choose to collaborate with academic institutions to accelerate our preclinical research or development. While we do not currently engage, and it is our policy to avoid engaging, university partners in projects in which there is a risk that federal funds may be commingled, we cannot be sure that any co- developed intellectual property will be free from government rights pursuant to the Bayh- Dole Act. Although none of our licenses to date are subject to march- in rights, if, in the future, we co- own or license in technology which is critical to our business that is developed in whole or in part with federal funds subject to the Bayh- Dole Act, our ability to enforce or otherwise exploit patents covering such technology may be adversely affected. 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. Obtaining, defending, maintaining 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 could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents, and may diminish our ability to protect our inventions, obtain, maintain, enforce and protect our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our future owned and licensed patents. Patent reform legislation in the United States and other countries, including the Leahy- Smith America Invents Act (" 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 future 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. Further, because of a lower evidentiary standard in these USPTO post- grant proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our or our licensors' patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy- Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' patent applications and the enforcement or defense of our or our licensors' future issued patents, all of which could adversely affect our business, financial condition, results of operations and prospects. 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. A third party that files a patent application in the USPTO after March 2013, but before we file an application

covering the same invention, could therefore be awarded a patent covering an invention of ours or our licensors even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (i) file any patent application related to our product candidates and other proprietary technologies we may develop or (ii) invent any of the inventions claimed in our or our licensors' patents or patent applications. Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing the claimed 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. However, the Leahy- Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our future issued patents, all of which could adversely affect our business, financial condition, results of operations and prospects. In addition, the patent positions of companies in the development and commercialization of pharmaceuticals are particularly uncertain. 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 or our licensors' ability to obtain new patents and patents that we or our licensors might obtain in the future. We cannot predict how future decisions by the courts, the U. S. Congress or the USPTO may impact the value of our patents. Any similar adverse change in the patent laws of other jurisdictions could also adversely affect our business, financial condition, results of operations and prospects. We may become subject to claims challenging the inventorship or ownership of our or our licensors' patents and other intellectual property. We may be subject to claims that former employees, collaborators or other third parties have an interest in our or our licensors' patents or other intellectual property as an 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. Litigation may be necessary to resolve these and other claims challenging inventorship 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 adversely affect 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. Our current or future licensors may have relied on third- party consultants or collaborators or on funds from third parties, such as the U. S. government, such that our licensors are not the sole and exclusive owners of the patents we in- licensed. If other third parties have ownership rights or other rights to our in- licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could adversely affect our competitive position, business, financial condition, results of operations, and prospects. In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self- executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could adversely affect our business, financial condition, results of operations, and prospects. Patent terms may be inadequate to protect our competitive position on products or product candidates for an adequate amount of time. 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. non- provisional or international patent application 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 products or product candidates are obtained, once the patent life has expired, we may be open to competition from competitive products, including generics or biosimilars. Given the amount of time required for the development, testing and regulatory review of products or new product candidates, patents protecting such products or candidates might expire before or shortly after such products or candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient and continuing rights to exclude others from commercializing products similar or identical to ours. Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated as a result of noncompliance with these requirements. Periodic maintenance fees, renewal fees, annuity fees and various other government fees on patents and / or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our owned or licensed patents and patent applications. We rely on our outside counsel or our licensing partners to pay these fees due to U. S. and non- U. S. patent agencies. The USPTO and various non- U. S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. We are also dependent on our licensors to take the necessary action to comply with these requirements with respect to our licensed intellectual property. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, 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. In such an event, potential competitors might be able to enter the market and this circumstance could adversely affect our business, financial condition, results of operations and prospects. If we do not obtain

patent term extension for our product candidate, our business may be materially harmed. Depending upon the timing, duration and specifics of any FDA marketing approval of any of our product candidates, one or more of our or our licensors' issued U. S. patents or issued U. S. patents that we may own in the future may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984 (" Hatch- Waxman Amendments "). The Hatch- Waxman Amendments permit a patent extension term (" PTE ") of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. Similar patent term restoration provisions to compensate for commercialization delay caused by regulatory review are also available in certain foreign jurisdictions, such as in Europe under Supplemental Protection Certificate (" SPC "). However, we may not be granted any extensions for which we apply because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. In addition, to the extent we wish to pursue patent term extension based on a patent that we in- license from a third party, we would need the cooperation of that third party. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension, or the term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations and prospects could be materially harmed. If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know- how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our discovery and development processes that involve proprietary know- how, information or technology that is not covered by patents. We may also rely on trade secret protection as temporary protection for concepts that may be included in a future patent filing. However, trade secret protection will not protect us from innovations that a competitor develops independently of our proprietary know how. If a competitor independently develops a technology that we protect as a trade secret and files a patent application on that technology, then we may not be able to patent that technology in the future, may require a license from the competitor to use our own know- how, and if the license is not available on commercially- viable terms, then we may not be able to launch our product candidate. Additionally, trade secrets can be difficult to protect and some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Although we require all of our employees to assign their inventions to us, and require all of our employees, consultants, advisors and any third parties who have access to our proprietary know- how, information or technology to enter into confidentiality agreements, 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. If our trade secrets are not adequately protected, our business, financial condition, results of operations and prospects could be adversely affected. 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. Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. During trademark registration proceedings, we may receive rejections of our applications by the USPTO or in other foreign jurisdictions. Although we are given an opportunity to respond to such rejections, we may be unable to overcome them. 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, which may not survive such proceedings. Moreover, any name we have proposed to use with our product candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA or an equivalent administrative body in a foreign jurisdiction objects to any of our proposed proprietary product names, we may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, domain name or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects. We may be subject to claims asserting that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property. Certain of our employees, consultants or advisors have in the past and may in the future be employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know- how of others in their work for us, we may be subject to claims that these individuals or we have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual' s current or former

employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. An inability to incorporate such technologies or features would harm our business and may prevent us from successfully commercializing our technologies or product candidates. In addition, we may lose personnel as a result of such claims and any such litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent contractors. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our technologies, or product candidates, which could adversely affect our business, financial condition, results of operations and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. In addition, we or our licensors may in the future be subject to claims by former employees, consultants or other third parties asserting an ownership right in our owned or licensed patents or patent applications. An adverse determination in any such submission or proceeding may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar technology and therapeutics, without payment to us, or could limit the duration of the patent protection covering our technologies and product candidates. Such challenges may also result in our inability to develop, manufacture or commercialize our technologies and product candidates without infringing third- party patent rights. In addition, if the breadth or strength of protection provided by our owned or licensed patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future technologies and product candidates. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects. Risks Related to Government Regulation The regulatory approval process is highly uncertain, and we may be unable to obtain, or may be delayed in obtaining, U. S. or foreign regulatory approval and, as a result, unable to commercialize ~~izokibep,~~ lonigutamab **and** ~~, any of our other product candidates or~~ any future product candidates. Even if we believe our current, or planned clinical trials are successful, regulatory authorities may not agree that they provide adequate data on safety or efficacy. ~~Izokibep, lonigutamab~~ **Lonigutamab** ~~, any of our other product candidates~~ and any future product candidates are subject to extensive governmental regulations relating to, among other things, research, testing, development, manufacturing, approval, recordkeeping, reporting, labeling, storage, packaging, advertising and promotion, pricing, post- approval monitoring, marketing and distribution of products. Rigorous preclinical studies and clinical trials and an extensive regulatory approval process are required to be completed successfully in the United States and in many foreign jurisdictions before a new product can be marketed. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. It is possible that none of our product candidates will obtain the regulatory approvals necessary for us to begin selling them. Our company has no prior experience in conducting and managing the clinical trials necessary to obtain regulatory approvals, including approval by the FDA. The time required to obtain FDA and other approvals is unpredictable but typically takes many years following the commencement of clinical trials, depending upon the type, complexity and novelty of the product candidate. The standards that the FDA and its foreign counterparts use when regulating us require judgment and can change, which makes it difficult to predict with certainty their application. Any analysis we perform of data from preclinical studies and clinical trials is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to new government regulations, for example, from future legislation or administrative action, or from changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. It is impossible to predict whether additional legislative changes will be enacted, or whether FDA or foreign regulations, guidance or interpretations will be changed, or the impact of such changes, if any. Any elongation or de- prioritization of preclinical studies or clinical trials or delay in regulatory review resulting from such disruptions could materially affect the development and study of ~~izokibep,~~ lonigutamab **and** ~~, any of our other product candidates or~~ any future product candidates. Further, the FDA and its foreign counterparts may respond to any BLA that we may submit by defining requirements that we do not anticipate. Such responses could delay clinical development of ~~izokibep,~~ lonigutamab **and** ~~, any of our other product candidates or~~ any future product candidates. Any delay or failure in obtaining required approvals could adversely affect our ability to generate revenue from the particular product candidate for which we are seeking approval. Furthermore, any regulatory approval to market a product may be subject to limitations on the approved uses for which we may market the product or on the labeling or other restrictions. We are also subject to or may in the future become subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third- party reimbursement. The foreign regulatory approval process varies among countries and may include all of the risks associated with the FDA approval process described above, as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval. FDA approval does not ensure approval by regulatory authorities outside the United States and vice versa. Any delay or failure to obtain U. S. or foreign regulatory approval for a product candidate could have a material and adverse effect on our business, financial condition, results of operations and prospects. Even if we receive regulatory approval for 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, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal. We may also be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates. Any regulatory approvals that we or our existing or future collaborators obtain for our product candidates may also be subject to limitations on the approved indicated uses for which a product may be marketed or to the conditions of approval, or contain requirements for potentially costly post- marketing testing and surveillance to monitor the safety and efficacy of the product candidate. In addition, if the FDA, EMA or a comparable foreign regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, distribution, post- approval monitoring and adverse event reporting, storage, import, export, advertising, promotion and recordkeeping for the product will be subject to extensive

and ongoing regulatory requirements. The FDA has significant post- market authority, including the authority to require labeling changes based on new safety information and to require post- market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The FDA also has the authority to require a REMS plan after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug. The manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and other regulatory agencies, including for continued compliance with current Good Manufacturing Practices (" cGMPs ") requirements. The discovery of any new or previously unknown problems with our third- party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including withdrawal of the product from the market. As we expect to rely on third- party manufacturers, we will not have control over compliance with applicable rules and regulations by such manufacturers. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. The FDA imposes stringent restrictions on manufacturers' communications regarding use of their products. Although clinicians may prescribe products for off- label uses as the FDA and other regulatory agencies do not regulate a physician' s choice of drug treatment made in the physician' s independent medical judgment, they do restrict promotional communications from companies or their sales force with respect to off- label uses of products. In addition, as we do not intend to conduct head- to- head comparative clinical trials for our product candidates, we will be unable to make comparative claims regarding any other products in the promotional materials for our product candidates. If we promote our products, if approved, in a manner inconsistent with FDA- approved labeling or otherwise not in compliance with FDA regulations, we may be subject to enforcement action. If we or our existing or future collaborators, manufacturers or service providers fail to comply with applicable continuing regulatory requirements in the United States or foreign jurisdictions in which we seek to market our product candidates, we or they may be subject to, among other things, fines, warning or untitled letters, holds on clinical trials, delay of approval or refusal by the FDA or similar foreign regulatory bodies to approve pending applications or supplements to approved applications, suspension or withdrawal of regulatory approval, product recalls and seizures, administrative detention of products, refusal to permit the import or export of products, operating restrictions, injunction, civil penalties and criminal prosecution. Subsequent discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third- party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things: • restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market or voluntary or mandatory product recalls; • fines, warning or untitled letters or holds on clinical trials; • refusal by the Medicines and Healthcare Products Regulatory Agency or the FDA to approve pending applications or supplements to approved applications filed by us or our strategic partners; • suspension or revocation of product license approvals; • product seizure or detention or refusal to permit the import or export of products; and • injunctions or the imposition of civil or criminal penalties. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. Changes in FDA staffing could result in delays in the FDA' s responsiveness or in its ability to review submissions or applications, issue regulations or guidance, or implement or enforce regulatory requirements in a timely fashion or at all. Recently enacted legislation, future legislation and other healthcare reform measures may increase the difficulty and cost for us to obtain marketing approval for and commercialize our product candidates and may affect the prices we may set. In the United States and some foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system, including cost- containment measures that may reduce or limit coverage and reimbursement for newly approved drugs and affect our ability to profitably sell any product candidates for which we obtain marketing approval. In particular, there have been and continue to be a number of initiatives at the U. S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. ~~For example,~~ **Several healthcare reform initiatives culminated** in ~~March 2010,~~ the ~~Patient Protection and Affordable Care~~ **enactment of the Inflation Reduction** Act ~~,~~ ~~as amended by the Health Care and Education Reconciliation Act (collectively, the " ACA ") was enacted~~ in **August 2022** ~~the United States~~ , which **allows** ~~substantially changed the way healthcare is financed by both governmental and private insurers in the United States and significantly affected the pharmaceutical industry. The ACA~~ , among other things, ~~subjected~~ **the Department of Health and Human Services, or HHS, to negotiate the selling price of a statutorily specified number of drugs and** ~~biologic~~ **biologics** ~~products~~ **each year that the Centers for Medicare & Medicaid Services, or CMS, reimburses under Medicare Part B and Part D. The negotiated price may not exceed a statutory ceiling price. Only high expenditure single- source drugs that have been approved for at least 7 years (11 years for single- source biologics) can qualify for negotiation, with the negotiated price taking effect** ~~to~~ **two** ~~potential competition by lower~~ **years after the selection year. For 2026, the first year in which negotiated prices become effective, CMS selected 10 high** - cost ~~biosimilars, addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program (" MDRP ") are calculated for drugs and biologics that are inhaled, infused, instilled, implanted or injected, increased the minimum Medicaid rebates owed by manufacturers under the MDRP, extended manufacturer Medicaid rebate obligations to utilization by individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs and biologics, and established a new~~ Medicare Part D **drugs in 2023, negotiations began in 2024, and the negotiated maximum fair price for each drug has been announced. CMS has selected 15 additional Medicare Part D drugs for negotiated maximum fair pricing in 2027. For 2028, up to an additional 15 drugs, which may be** ~~coverage~~ **covered** ~~gap~~ **under either Medicare Part B or Part D, may be selected, and for 2029 and subsequent years, up to 20 additional Part B or Part D drugs may be selected. A drug or biological product that has an orphan drug designation for only one rare disease or condition will be excluded from the Inflation Reduction Act' s price negotiation requirements, but loses that exclusion if it has designations for more than one rare disease or condition, or if is approved for an indication that is not within that single designated rare disease or condition, unless such additional designation or such disqualifying**

approvals are withdrawn by the time CMS evaluates the drug for selection for negotiation. The Inflation Reduction Act also imposes rebates on Medicare Part B and Part D drugs whose prices have increased at a rate greater than the rate of inflation. In addition, the law eliminates the " donut hole " under Medicare Part D beginning in 2025 by significantly lowering the beneficiary maximum out- of- pocket cost and establishing a new manufacturer discount program ~~. Since its enactment, there have been judicial, congressional, and executive branch challenges to the ACA~~ , which **requires manufacturers** ~~have resulted in delays in the implementation of~~ , **in order** ~~and action taken to repeal or~~ **for** ~~replace, certain aspects of the~~ **their** ~~ACA. On June 17~~ **drugs to be covered by Medicare Part D** , **to provide statutorily defined discounts** ~~2021, the U. S. Supreme Court dismissed a challenge~~ on ~~procedural grounds that argued the ACA is unconstitutional in its entirety because the " individual mandate " was repealed by Congress. In addition, there~~ - **their brand (NDA) drugs dispensed to Part D enrollees** ~~have been a number of health reform initiatives by the Biden administration that have impacted the ACA~~ . **The Inflation Reduction Act also** ~~For example, on August 16, 2022, President Biden signed the IRA, into law, which among other things,~~ extends enhanced subsidies for individuals purchasing health insurance coverage in ACA marketplaces through plan year 2025. The ~~IRA also eliminates~~ **Inflation Reduction Act permits the Secretary of HHS to implement many of** ~~the~~ **these provisions** ~~" donut hole " under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out- of- pocket cost and~~ through ~~a newly established~~ **guidance, as opposed to regulation, for the initial years.** ~~manufacturer~~ **Manufacturers** ~~discount program. It is possible~~ that **fail to comply with** the ~~ACA will~~ **Inflation Reduction Act may** be subject to ~~judicial or congressional~~ **various penalties, some significant, including civil monetary penalties. These provisions are taking effect progressively starting in 2023, although they may be subject to legal** challenges ~~in the future. It is unclear how other such challenges, and the healthcare reform measures of the Biden administration will impact the ACA and our business. In addition, other legislative changes have been proposed and adopted since the ACA was enacted~~ . For example, ~~on August 2, 2011, the Budget Control Act of 2011 was signed into law, which, among other~~ -- **the** ~~things, resulted in reductions to Medicare payments to providers of 2 % per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2021, unless additional Congressional action is taken. Further, there has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs. Such scrutiny has resulted in several recent congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. For example, 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 U. S. Department of Health and Human Services (" HHS ") released~~ - **related** ~~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~~ -- **the** ~~principles. In addition, the IRA, among other things, (1) directs HHS to negotiate~~ **negotiation** ~~the~~ **of selling** ~~price~~ **prices** of ~~certain~~ **high- expenditure** single- source drugs and biologics **have been challenged** ~~covered under Medicare and (2) imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation. These provisions take effect progressively starting~~ in ~~fiscal year 2023~~ **multiple lawsuits. Thus** , **it** ~~although the Medicare drug price negotiation program~~ is ~~currently subject to legal challenges. It is currently~~ unclear how the ~~IRA~~ **Inflation Reduction Act** will be implemented but ~~is~~ **it will** likely ~~to~~ have a significant impact on the pharmaceutical industry **and** ~~. HHS released a report in February 2023 outlining three~~ -- **the pricing of our products and therapeutic candidates. The adoption of restrictive price controls in** new **jurisdictions** ~~models for testing by the CMS Innovation Center which will be evaluated on their ability to lower the cost of drugs~~ , **more restrictive** ~~promote accessibility, and improve quality of care. It is unclear whether the models will be utilized in any health reform measures in the future. Further, in December 2023, the Biden administration announced an initiative to control~~ **controls** ~~the price of prescription drugs through the use of march-~~ in **existing jurisdictions** ~~rights under the Bayh- Dole Act. The National Institute of Standards and Technology thereafter published for~~ - **or the failure to obtain** ~~comment a Draft Interagency Guidance Framework for~~ - **or maintain** ~~Considering the Exercise of March- In Rights which for the first time~~ **timely or adequate pricing could also adversely impact revenue** ~~includes the price of a product as one factor an agency can use when deciding to exercise march- in rights~~ . **We expect pricing pressures** ~~While march- in rights have not previously been exercised, it is uncertain if that~~ will continue **globally** ~~under the new framework. Moreover, the American Taxpayer Relief Act of 2021, effective January 1, 2024, would eliminate the statutory cap on rebate amounts owed by drug manufacturers under the MDRP, which is currently capped at 100 % of the Average Manufacturer Price (" AMP ") for a covered outpatient drug~~ . At the state level, legislatures have increasingly passed legislation and implemented 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. Legally mandated price controls on payment amounts by third- party payors or other restrictions could harm our business, financial condition, results of operations and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates, if approved, or put pressure on our product pricing, which could negatively affect our business, financial condition, results of operations and prospects. We expect that **additional state** ~~the ACA, the IRA,~~ and **federal** ~~any other~~ healthcare reform measures ~~that~~ may be adopted in the future **. Such reform measures** may result in ~~additional reductions in Medicare and other healthcare funding,~~ more rigorous coverage criteria ~~, new payment methodologies~~ and **in** additional downward pressure on the price that we receive for any approved product. ~~Any reduction in reimbursement from Medicare or other government programs~~

~~may result in a similar reduction in payments from private payors.~~ The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability **,** or commercialize our **products. Legislative and regulatory proposals have been made to expand post- approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our therapeutic candidates, if any, may be. In addition, increased scrutiny by the U. S. Congress of the FDA' s approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent** product ~~candidates, if approved~~ **labeling and post- marketing testing and other requirements** . Our current product candidates and any of our future product candidates regulated as biologics in the United States may face competition sooner than anticipated from biosimilars approved through an abbreviated regulatory pathway. The enactment of the Biologics Price Competition and Innovation Act of 2009 (" BPCIA ") as part of the Patient ACA created an abbreviated pathway for the approval of biosimilar and interchangeable biological products. The abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biological products, including the possible designation of a biosimilar as " interchangeable " based on its similarity to an existing brand product. Under the BPCIA, an application for a biosimilar product cannot be approved by the FDA until 12 years after the original branded product was approved under a BLA. Certain changes, however, and supplements to an approved BLA, and subsequent applications filed by the same sponsor, manufacturer, licensor, predecessor in interest, or other related entity do not qualify for the 12- year exclusivity period. **Lonigutamab is a** ~~Our product candidates are all~~ biological product ~~candidates~~ **candidate** . We anticipate being awarded market exclusivity for each of our biological product ~~candidates~~ **candidate** that is subject to its own BLA for 12 years in the United States. However, the term of the patents that cover such product ~~candidates~~ **candidate** may not extend beyond the applicable market exclusivity awarded by a particular country. For example, in the United States, if all of the patents that cover our particular biological product expire before the 12- year market exclusivity expires, a third party could submit a marketing application for a biosimilar product four years after approval of our biological product, the FDA could immediately review the application and approve the biosimilar product for marketing 12 years after approval of our biological product, and the biosimilar sponsor could then immediately begin marketing. Alternatively, a third party could submit a full BLA for a similar or identical product any time after approval of our biological product, and the FDA could immediately review and approve the similar or identical product for marketing and the third party could begin marketing the similar or identical product upon expiry of all of the patents that cover our particular biological product. There is also a risk that this exclusivity could be changed in the future. For example, this exclusivity could be shortened due to congressional action or through other actions, including future proposed budgets, international trade agreements and other arrangements or proposals. Additionally, there is a risk 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. 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. It is also possible that payors will give reimbursement preference to biosimilars over reference biological products, even absent a determination of interchangeability. Laws and regulations outside the United States differ, including the length and extent of patent and exclusivity protection and pathways for competition to enter the market. For example, in the EU exclusivity is generally 10 years and can be extended to 11 years under certain circumstances. Other countries may have significantly shorter or longer periods of exclusivity. In addition, other countries may have different standards in determining similarity to a reference product. Any market entry of competing products to our product candidates in these other regions could adversely affect our business in those regions. To the extent that we do not receive any anticipated periods of regulatory exclusivity for our product candidates it could adversely affect our business, financial condition, results of operations and prospects. Our operations and relationships with healthcare providers, healthcare organizations, customers and third- party payors will be subject to applicable anti- bribery, anti- kickback, fraud and abuse, transparency and other healthcare and privacy laws and regulations, which could expose us to, among other things, enforcement actions, criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings. Our future arrangements with healthcare providers, healthcare organizations, third- party payors and customers will expose us to broadly applicable anti- bribery, fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research, market, sell and distribute our products, if approved. In addition, we may be subject to data privacy and security regulation by the U. S. federal government and the states and the foreign governments in **the jurisdictions in** which we conduct our business. Restrictions under applicable federal and state anti- bribery and healthcare laws and regulations, include the following: • the federal Anti- Kickback Statute, which prohibits, among other things, individuals and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal and state healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation; • the federal criminal and civil false claims laws, including the federal False Claims Act, which can be enforced through civil whistleblower or qui tam actions against individuals or entities, and the Federal Civil Monetary Penalties Laws, which prohibit, among other things, knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, certain marketing practices, including off- label promotion, may also violate false claims laws. Moreover, the government may assert that a claim including items and 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; • **the federal** Health Insurance Portability and Accountability Act (" HIPAA "), which imposes criminal and civil liability, prohibits, among other things, knowingly and willfully executing, or attempting to execute a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti- Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation; • HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (" HITECH ") and their respective implementing regulations, which impose obligations on certain healthcare providers, health plans, and healthcare clearinghouses, known as covered entities, as well as their business associates that perform certain services involving the storage, use or disclosure of individually identifiable health information for or on behalf of a covered entity and their covered subcontractors, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information; • the federal legislation commonly referred to as the Physician Payments Sunshine Act, enacted as part of the ACA, and its implementing regulations, which requires certain manufacturers of covered drugs, devices, biologics and medical supplies that are reimbursable under Medicare, Medicaid, or the Children' s Health Insurance Program, with certain exceptions, to report annually to the Centers for Medicare & Medicaid Services (" CMS ") information on certain payments and other transfers of value to clinicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), teaching hospitals, and certain other health care providers (such as physician assistants and nurse practitioners), as well as ownership and investment interests held by the clinicians described above and their immediate family members; • state privacy laws and regulations that impose restrictive requirements regulating the use and disclosure of personal information, including health information; • foreign privacy, data protection, and data security laws and regulations, such as the European Union' s General Data Protection Regulation (" EU GDPR "), which imposes comprehensive obligations on covered businesses to, among other things, make contractual privacy, data protection and data security commitments, cooperate with European data protection authorities, implement security measures, give data breach notifications, and keep records of personal information processing activities; • the U. S. Foreign Corrupt Practices Act of 1977, as amended, which prohibits, among other things, U. S. companies and their employees and agents from authorizing, promising, offering, or providing, directly or indirectly, corrupt or improper payments or anything else of value to foreign government officials, employees of public international organizations and foreign government owned or affiliated entities, candidates for foreign political office, and foreign political parties or officials thereof; • analogous state and foreign laws and regulations, such as state anti- kickback and false claims laws, that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non- governmental third- party payors, including private insurers; and • certain state laws that require pharmaceutical companies to comply with the pharmaceutical industry' s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to clinicians and other healthcare providers or marketing expenditures and drug pricing information, and state and local laws that require the registration of pharmaceutical sales representatives. If we or our current or future collaborators, manufacturers or service providers fail to comply with applicable federal, state or foreign laws or regulations, we could be subject to enforcement actions, which could affect our ability to develop, market and sell our product candidates successfully and could harm our reputation and lead to reduced acceptance of our products, if approved by the market. Efforts to ensure that our current and future business arrangements with third parties comply with applicable healthcare laws and regulations could involve substantial costs. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any such requirements, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, the curtailment or restructuring of our operations, loss of eligibility to obtain approvals from the FDA, exclusion from participation in government contracting, healthcare reimbursement or other government programs, including Medicare and Medicaid, integrity oversight and reporting obligations, or reputational harm, any of which could adversely affect our financial results. These risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management' s attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources. Governments outside the United States tend to impose strict price controls, which may adversely affect our revenue, if any. In some countries, particularly in the European Union, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a drug. To obtain coverage and reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost- effectiveness of our product candidate to other available therapies. In addition, many countries outside the U. S. have limited government support programs that provide for reimbursement of drugs such as our product candidates, with an emphasis on private payors for access to commercial products. If reimbursement of our products, if approved is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business could be materially harmed. We are subject to stringent and 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); 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. In the ordinary course of business, we **and our third- party service providers** collect, receive, store, process, generate, use,

transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process or processing) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, employee data, intellectual property, data ~~we or our vendors collect~~ about trial participants in connection with clinical trials, and other sensitive third- party data (collectively, sensitive data). Our **and our third- party service providers** data processing activities may subject us to numerous data privacy and security laws and regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations. Various legislative and regulatory bodies, or self-regulatory organizations, may enact new or expand or otherwise revise existing laws, rules or regulations, or guidance regarding data privacy and security. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e. g., Section 5 of the Federal Trade Commission Act), and other similar laws (e. g., wiretapping laws). **In** ~~For example, HIPAA, as amended by HITECH, imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. Additionally, in~~ the past few years, ~~numerous~~ **over a third of** U. S. states ~~— including California, Virginia, Colorado, Connecticut, and Utah —~~ have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning 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 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 allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act, as amended ~~by the California Privacy Rights Act of 2020 (" CPRA") (collectively, "~~ CCPA ") applies to personal ~~information~~ **data** of consumers, business representatives, and employees, and among other things requires **covered** businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights, including the right to opt out of certain disclosures of their information. The CCPA provides for civil penalties of up to $ 7, 500 per violation as well as a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. Although the CCPA and other comprehensive state privacy laws include limited exceptions, including for certain information collected as part of clinical trials, these developments may impact our processing of personal ~~information~~ **data** and increases the compliance costs and legal risk for us and the third parties upon whom we rely. Similar laws **have been enacted and** 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. In addition to government activity, privacy advocacy groups and technology and other industries are considering various new, additional or different self- regulatory standards that may place additional burdens on us. There are also various laws and regulations in other jurisdictions outside the United States relating to data privacy and security, with which we may need to comply. For example, the EU GDPR and the United Kingdom' s equivalent (" UK GDPR "), collectively, GDPR, impose strict requirements for processing personal data. We also have clinical trial activities in Asia, and may be subject to ~~new and emerging~~ data privacy regimes **in the region,** such as Japan' s Act on the Protection of Personal Information. Notably, the GDPR imposes large penalties for noncompliance, including the potential for fines of up to € 20 million under the EU GDPR / £ 17. 5 million under the UK GDPR, or 4 % of the annual global revenue of the noncompliant entity, whichever is greater. The GDPR also provides for private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Additionally, EU member states may introduce further conditions, including limitations, and make their own laws and regulations further limiting the processing of ~~'~~ special categories of personal data, including personal data related to health, biometric data used for unique identification purposes and genetic information, which could limit our ability to collect, use and share EU data, and could cause our compliance costs to increase, ultimately adversely affecting our business, financial condition, results of operations and prospects. 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 UK have ~~significantly~~ **placed limitations and** ~~restricted ----~~ **strict compliance requirements on** the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, ~~such as the EEA 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 jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with 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 activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the EU GDPR' s cross- border data transfer limitations.~~ In addition to data privacy and security laws, we are also bound by other ~~contractual~~ obligations related

to data privacy and security, and our efforts to comply with such obligations may not be successful. Each of these laws, rules, regulations and contractual obligations relating to data privacy and security, and any other such changes **thereto** or new laws, rules, regulations or contractual obligations could impose significant limitations, require changes to our business, or restrict our collection, use, storage or processing of personal ~~information~~ **data** , which may increase our compliance expenses and make our business more costly or less efficient to conduct. In addition, any such changes could compromise our ability to develop an adequate marketing strategy and pursue our growth strategy effectively or even prevent us from providing certain products in jurisdictions in which we currently operate and in which we may operate in the future or incur potential liability in an effort to comply with such legislation, which, in turn, could adversely affect our business, financial condition, results of operations and prospects. Complying with these numerous, complex and often changing regulations is expensive and difficult, and failure to comply with any data privacy or security laws, whether by us, one of our CROs, CMOs or ~~business associates or~~ another third party **service provider** , could adversely affect our business, financial condition, results of operations and prospects, including but not limited to: investigation costs; material fines and penalties; compensatory, special, punitive and statutory damages; litigation; consent orders regarding our privacy and security practices; requirements that we provide notices, credit monitoring services and / or credit restoration services or other relevant services to impacted individuals; adverse actions against our licenses to do business; reputational damage; and injunctive relief. **New** ~~The CCPA and GDPR have increased our responsibility and liability in relation to personal data that we process, including in clinical trials, and we may in the future be required to put in place additional mechanisms to ensure compliance with applicable laws and regulations, which could divert management' s attention and increase our cost of doing business. In addition, new~~ regulation or legislative actions regarding data privacy and security (together with applicable industry standards) may increase our costs of doing business. In this regard, we expect that there will continue to be new proposed laws, regulations and industry standards relating to privacy and data protection in the United States, the EEA and other jurisdictions, and we cannot determine the impact such future laws, regulations and standards may have on our business. Any actual or perceived failure by us or our **CROs, CMOs or** third- party service providers to comply with any federal, state or foreign laws, rules, regulations, industry self- regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which we may be subject or other legal obligations relating to privacy, data protection, data security or consumer protection could adversely affect our reputation, brand and business and result in adverse consequences including but not limited to: government enforcement actions (e. g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class- 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 adversely affect our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including clinical trials); 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 substantial changes to our business model or operations. We also publicly post policies concerning our collection, use, disclosure and other processing of the personal ~~information~~ **data** provided to us by our website visitors and certain other parties. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be perceived to have failed to do so. Our publication of our policies and other statements we publish that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Any actual or perceived failure by us to comply with federal, state or foreign laws, rules or regulations, industry standards, contractual or other legal obligations, or any actual, perceived or suspected cybersecurity incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of personal ~~information~~ **data** or other data, may result in enforcement actions and prosecutions, private litigation, significant fines, penalties and censure, claims for damages by customers and other affected individuals, regulatory inquiries and investigations or adverse publicity and could cause individuals and entities to lose trust in us, any of which could adversely affect our business, financial condition, results of operations and prospects. Risks Related to Our Reliance on Third Parties We may have conflicts with our current or future licensors or collaborators that could delay or prevent the development or commercialization of our product candidates. We are currently party to license and collaboration agreements with ~~Affibody,~~ Pierre Fabre ~~and Novelty Nobility,~~ and we expect to enter into similar strategic transactions in the future **. We have terminated our license agreement with Novelty Nobility and also given notice of termination of our license and collaboration agreement with Affibody** . We may have conflicts with our current or future collaborators, such as conflicts concerning the interpretation of preclinical or clinical data, the achievement of milestones, the interpretation of contractual obligations, payments for services, development obligations or the ownership of intellectual property developed during our collaboration. If any conflicts arise with any of our collaborators, such collaborator may act in a manner that is adverse to our best interests. Any such disagreement could result in one or more of the following, each of which could delay or prevent the development or commercialization of our product candidates, and in turn prevent us from generating revenue: disputes regarding milestone payments or royalties; uncertainty regarding ownership of intellectual property rights arising from our collaborative activities, which could prevent us from entering into additional collaborations; unwillingness by the collaborator to cooperate in the development or manufacture of a product candidate, including providing us with data or materials; unwillingness on the part of a collaborator to keep us informed regarding the progress of its development and commercialization activities or to permit public disclosure of the results of those activities; initiating of litigation or alternative dispute resolution options by either party to resolve the dispute; or attempts by either party to terminate the agreement. We have relied and expect to continue to rely on third parties to conduct our preclinical studies and clinical trials. If those third parties do

not perform as contractually required, fail to satisfy legal or regulatory requirements, miss expected deadlines or terminate the relationship, our development programs could be delayed, more costly or unsuccessful, and we may never be able to seek or obtain regulatory approval for or commercialize our product candidates. We rely and intend to rely in the future on third- party clinical investigators, CROs, clinical data management organizations to conduct, supervise and monitor preclinical studies and clinical trials of our current or future product candidates. Because we currently rely and intend to continue to rely on these third parties, we will have less control over the timing, quality and other aspects of preclinical studies and clinical trials than we would have had we conducted them independently. These parties are not, and will not be, our employees and we will have limited control over the amount of time and resources that they dedicate to our programs. Additionally, such parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs. We have no experience as a company in filing and supporting the applications necessary to gain marketing approvals. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each indication to establish the product candidate' s safety or efficacy for that indication. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities and clinical trial sites by, applicable regulatory authorities. Large- scale clinical trials require significant financial and management resources, and reliance on third- party clinical investigators, CROs, partners or consultants. Relying on third- party clinical investigators or CROs may force us to encounter delays and challenges that are outside of our control. For example, in November 2023 we reported a third party programming error impacted dose sequencing in our Phase 2b / 3 trial of izokibep in PsA. In addition, we may not be able to demonstrate sufficient comparability between products manufactured at different facilities to allow for inclusion of the clinical results from participants treated with products from these different facilities, in our product registrations. Further, our third party clinical manufacturers may not be able to manufacture our product candidates or otherwise fulfill their obligations to us because of interruptions to their business, including the loss of their key staff or interruptions to their raw material supply. Our reliance on these third parties for development activities will reduce our control over these activities. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the applicable trial protocol and legal, regulatory and scientific standards, and our reliance on the CROs, clinical trial sites, and other third parties does not relieve us of these responsibilities. For example, we will remain responsible for ensuring that each of our preclinical studies are conducted in accordance with good laboratory practices (GLPs) and clinical trials are conducted in accordance with GCPs. Moreover, the FDA and comparable foreign regulatory authorities require us to comply with GCP for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. Regulatory authorities enforce these requirements through periodic inspections (including pre- approval inspections once a BLA is submitted to the FDA) of trial sponsors, clinical investigators, trial sites and certain third parties including CROs. If we, our CROs, clinical trial sites, or other third parties fail to comply with applicable GCP or other regulatory requirements, we or they may be subject to enforcement or other legal actions, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. Moreover, our business may be significantly impacted if our CROs, clinical investigators or other third parties violate federal or state healthcare fraud and abuse or false claims laws and regulations or healthcare privacy and security laws. In the event we need to repeat, extend, delay or terminate our clinical trials because these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, our clinical trials may need to be repeated, extended, delayed or terminated and we may not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates, and we will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates or we or they may be subject to regulatory enforcement actions. As a result, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenue could be delayed. For example, ~~although the~~ **we experienced a** third party programming error impacting dose sequencing in the Phase 2b / 3 trial in PsA ~~has been corrected, remediation efforts are needed and the ultimate determination if such trial could be part of a registrational package is subject to regulatory agency review~~ . To the extent we are unable to successfully identify and manage the performance of third- party service providers in the future, our business may be materially and adversely affected **. Terminating existing agreements with these third parties to align with our changed strategies or reprioritization of product candidates could also result in expensive termination fees or expenses in negotiating. For example, prioritizing lonigutamab as our lead product candidate in August 2024 and suspending further development of izokibep required making amendments to our agreement with our third- party manufacturer, which resulted in additional expense to and termination fees of approximately $ 7. 2 million in the year ended December 31, 2024** . If any of our relationships with these third parties terminate, we may not be able to enter into alternative arrangements or do so on commercially reasonable terms. Switching or adding additional contractors involves additional cost and time and requires management time and focus. In addition, there is a natural transition period when a new third party commences work. As a result, delays could occur, which could compromise our ability to meet our desired development timelines. In addition, if an agreement with any of our collaborators terminates, our access to technology and intellectual property licensed to us by that collaborator may be restricted or terminate entirely, which may delay our continued development of our product candidates utilizing the collaborator' s technology or intellectual property or require us to stop development of those product candidates completely. In addition, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA. The FDA may conclude that a financial relationship between us and / or a

principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA and may ultimately lead to the denial of regulatory approval of one or more of our product candidates. We rely on third- party manufacturers and suppliers to supply our product candidates. The loss of our third- party manufacturers or suppliers, or their failure to comply with applicable regulatory requirements or to supply sufficient quantities at acceptable quality levels or prices, within acceptable timeframes, or at all, would materially and adversely affect our business. We do not own or operate facilities for drug manufacturing, storage, distribution or quality testing. We currently rely, and expect to continue to rely, on third- party contract developers and manufacturers to manufacture bulk drug substances, drug products, raw materials, samples, device components, and other materials for our product candidates. Reliance on third- party manufacturers may expose us to different risks than if we were to manufacture product candidates ourselves. There can be no assurance that our preclinical, clinical and commercial product supplies will not be limited, interrupted, terminated or will be of satisfactory quality or be available at acceptable prices. In addition, any replacement of our manufacturer could require significant effort and time because there may be a limited number of qualified replacements. Furthermore, there are a limited number of suppliers for device components, raw materials, and packaging we use in our product candidates, which exposes us to the risk of disruption in the supply of the materials necessary to manufacture our product candidates for our preclinical studies and clinical trials, and if approved, ultimately for commercial sale. The manufacturing process for our product candidates is subject to the FDA, EMA and foreign regulatory authority review. We, and our suppliers and manufacturers, some of which are currently our sole source of supply, must meet applicable manufacturing requirements and undergo rigorous facility and process validation tests required by regulatory authorities in order to comply with regulatory standards, such as cGMPs. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the FDA, EMA and foreign regulatory authorities. If our CMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA, EMA or comparable foreign regulatory authorities, we may not be able to rely on their facilities for the manufacture of elements of our product candidates. Moreover, we do not conduct the manufacturing process ourselves and are dependent on our CMOs for manufacturing in compliance with current regulatory requirements. In the event that any of our manufacturers fails to comply with such requirements or to perform its obligations in relation to quality, timing or otherwise, or if our projected manufacturing capacity or supply of materials becomes limited, interrupted, or more costly than anticipated, we may be forced to enter into an agreement with another third party, which we may not be able to do timely or on reasonable terms, if at all. In some cases, the technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such to another third party. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to enable us, or to have another third party, manufacture our product candidates. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with applicable quality standards and regulations and guidelines; and we may be required to repeat some of the development program. The delays and costs associated with the verification of a new manufacturer could negatively affect our ability to develop product candidates in a timely manner or within budget. We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any product candidate. To the extent that we have existing, or enter into future, manufacturing arrangements with third parties, we will depend on these third parties to perform their obligations in a timely manner consistent with contractual and regulatory requirements, including those related to quality control and assurance. Any manufacturing facilities used to produce our product candidates will be subject to periodic review and inspection by the FDA and foreign regulatory authorities, including for continued compliance with cGMP requirements, quality control, quality assurance and corresponding maintenance of records and documents. If we are unable to obtain or maintain third- party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. Our or a third party' s failure to execute on our manufacturing requirements, comply with cGMPs or maintain a compliance status acceptable to the FDA, EMA or foreign regulatory authorities could adversely affect our business in a number of ways, including: • an inability to initiate or continue preclinical studies or clinical trials of product candidates; • delay in submitting regulatory applications, or receiving regulatory approvals, for product candidates; • loss of the cooperation of existing or future collaborators; • requirements to cease distribution or to recall batches of our product candidates; and • in the event of approval to market and commercialize a product candidate, an inability to meet commercial demands for our products. Additionally, our CMOs may experience difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our CMOs were to encounter any of these difficulties, our ability to provide our product candidates to participants in preclinical and clinical trials, or to provide product for treatment of participants once approved, would be jeopardized. **In January 2024, there was congressional activity, including the introduction of the BIOSECURE Act (H. R. 7085) in the House of Representatives and a substantially similar Senate bill (S. 3558). If these bills become law, or similar laws are passed, they would have the potential to severely restrict the ability of U. S. biopharmaceutical companies like us to purchase products or services from, or otherwise collaborate with, certain Chinese biotechnology companies " of concern " without losing the ability to contract with, or otherwise receive funding from, the U. S. government. It is possible some of our contractual counterparties could be impacted by such legislation, which could increase the cost or reduce the supply of material available to us, delay the procurement or supply of such material, delay or impact clinical trials, and could adversely affect our financial condition and business prospects.** We depend on sole source and limited source suppliers for certain drug substances, drug products, raw materials, samples, components, and other materials used in our product candidates. If we are unable to source these supplies on a timely basis, or establish longer- term contracts with our CMOs, we will not be able to complete our clinical trials on time and the development

of our product candidates may be delayed. We depend on sole source and limited source suppliers for certain drug substances, drug products, raw materials, samples, components, and other materials used in our product candidates. We do not currently have long- term supply contracts with all of our CMOs and they are not obligated to supply drug products to us for any period, in any specified quantity or at any certain price beyond the delivery contemplated by the relevant purchase orders. As a result, our suppliers could stop selling to us at commercially reasonable prices, or at all. While we have entered into long- term master supply agreements with certain of our CMOs **,** in the future as we advance our clinical trials or commercialization plans, we may not be successful in negotiating ~~such~~ **additional long- term supply** agreements on favorable terms or at all. If we do enter into such long- term master supply agreements, or enter into such agreements on less favorable terms than we currently have with ~~such manufacturers~~ **certain of our CMOs** , we could be subject to binding long- term purchase obligations that may be harmful to our business, including in the event that we do not conduct our trials on planned timelines or utilize the drug products that we are required to purchase. ~~Any~~ **For example, in July 2024, we and one of our CMOs entered into an agreement to terminate a supply agreement in connection with which we incurred contract termination costs of $ 14. 3 million. In any event, any** change in our relationships with our CMOs or changes to contractual terms of our agreements with them could adversely affect our business, financial condition, results of operations and prospects. Furthermore, any of the sole source and limited source suppliers upon whom we rely could stop producing our supplies, cease operations or be acquired by, or enter into exclusive arrangements with, our competitors. Additionally, our manufacturing process for ~~izokibep and~~ lonigutamab requires special equipment, and identifying additional suppliers able to fabricate such equipment at their facility at acceptable costs may be difficult. Establishing additional or replacement suppliers for these supplies, and obtaining regulatory clearance or approvals that may result from adding or replacing suppliers, could take a substantial amount of time, result in increased costs and impair our ability to produce our products, which would adversely impact our business, financial condition, results of operations and prospects. Any such interruption or delay may force us to seek similar supplies from alternative sources, which may not be available at reasonable prices, or at all. Any interruption in the supply of sole source or limited source components for our product candidates would adversely affect our ability to meet scheduled timelines and budget for the development and commercialization of our product candidates, could result in higher expenses and would harm our business. For example, we were ~~recently~~ notified **in 2024** that manufacturing facilities where our CMO manufactures lonigutamab drug substance will be closing. Accordingly, we **have** ~~are in the process of transferring~~ **transferred** lonigutamab drug substance manufacturing to the CMO **'** **'** s alternative manufacturing plant, which ~~will require~~ **requires** process changes, comparability studies, and regulatory filings to compliantly support clinical trials. Such tech transfer activities ~~involves~~ **involve** rigorous planning and execution with associated technical resources. We cannot assure you that we will not experience any disruptions in our lonigutamab drug substance supply **, or not experience any adverse impact to the regulatory process or timelines for lonigutamab,** as a result of the transfer. In this regard, although we have not experienced any significant disruption as a result of our reliance on limited or sole source suppliers to date, we have a limited operating history and cannot assure you that we will not experience disruptions in our supply chain in the future as a result of such reliance or otherwise. The operations of our suppliers, most of which are located outside of the United States, are subject to additional risks that are beyond our control and that could harm our business, financial condition, results of operations and prospects. Currently, most of our suppliers are located outside of the United States. As a result of our global suppliers, we are subject to risks associated with doing business abroad, including: • political unrest, terrorism, labor disputes, and economic instability resulting in the disruption of trade from foreign countries in which our products are manufactured; • the imposition of new laws and regulations, including those relating to labor conditions, quality, and safety standards, imports, duties, taxes, and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds, particularly new or increased tariffs imposed on imports from countries where our suppliers operate; • greater challenges and increased costs with enforcing and periodically auditing or reviewing our suppliers' and manufacturers' compliance with cGMPs or status acceptable to the FDA, EMA or foreign regulatory authorities; • reduced protection for intellectual property rights, including trademark protection, in some countries, particularly China; • disruptions in operations due to global, regional, or local public health crises or other emergencies or natural disasters, including, for example, potential disruptions due to ~~the ongoing COVID- 19 pandemic or other~~ pandemics or health crises; • disruptions or delays in shipments; and • changes in local economic conditions in countries where our manufacturers or suppliers are located. These and other factors beyond our control ~~, particularly in light of the COVID- 19 pandemic or any other pandemics or health crises,~~ could interrupt our suppliers' production, influence the ability of our suppliers to export our clinical supplies cost- effectively or at all, and inhibit our suppliers' ability to procure certain materials, any of which could harm our business, financial condition, results of operations and prospects. The manufacturing of our product candidates is complex, and our third- party manufacturers may encounter difficulties in production. If our third- party manufacturers encounter such difficulties, our ability to provide supply of our product candidates for clinical trials, our ability to obtain marketing approval, or provide supply of our products for participants, if approved, could be delayed or halted. Our product candidates are biopharmaceuticals and the process of manufacturing biopharmaceuticals is complex, time- consuming, highly regulated and subject to multiple risks. Our CMOs must comply with legal requirements, cGMPs and guidelines for the manufacturing of biopharmaceuticals used in clinical trials and, if approved, marketed products. Our CMOs may have limited experience in the manufacturing of cGMP batches of our products. Manufacturing biopharmaceuticals is highly susceptible to drug 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. If any such drug product loss occurs, the impact to our business could be compounded by the long lead times needed to procure additional drug product due to plant capacity limitations, or other restrictions, at our CMOs. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered at our third- party manufacturers' facilities, such facilities may need to be closed for an extended period of time to investigate and remedy the

contamination, which could delay clinical trials and adversely affect our business. Moreover, if the FDA, EMA or any other regulatory authority determines that our third- party manufacturers' facilities are not in compliance with applicable laws and regulations, including those governing cGMPs, they may deny BLA establishment licensure until the deficiencies are corrected or we replace the manufacturer in our BLA with a manufacturer that is able to ensure safety, purity and potency of the product being manufactured. In addition, there are risks associated with large scale manufacturing for clinical trials 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 of raw materials. Even if we obtain regulatory approval for any of our product candidates, there is no assurance that manufacturers will be able to manufacture the approved product to specifications acceptable to the FDA, EMA 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. If our manufacturers are unable to produce sufficient quantities for clinical trials or for commercialization, commercialization efforts would be impaired, which would have an adverse effect on our business, financial condition, results of operations and prospects. Scaling up a biopharmaceutical manufacturing process is a difficult and uncertain task. If our third- party manufacturers are unable, or decide not, to adequately validate or scale- up the manufacturing process at our current manufacturers' facilities, we will need to transfer to another manufacturer and complete the manufacturing validation process, which can be lengthy. If we are able to adequately scale- up the manufacturing process and produce qualification lots for our product candidates with CMOs, we will in most cases still need to negotiate with such CMOs an agreement for commercial supply and it is not certain we will be able to come to agreement on terms acceptable to us. We cannot assure you that any stability or other issues relating to the manufacture and testing of any of our current or future product candidates or products will not occur in the future. If our third- party manufacturers were to encounter any of these difficulties, our ability to provide any product candidates to participants in clinical trials and products to participants, once approved, would be jeopardized. Any delay or interruption in clinical trial supplies could delay the completion of planned clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to commence new clinical trials at additional expense or terminate clinical trials completely. Any adverse developments affecting clinical or commercial manufacturing of our product candidates or products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our product candidates or products. We may also have to take inventory write- offs and incur other charges and expenses for product candidates or products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. Accordingly, failures or difficulties faced at any level of our supply chain could adversely affect our business and delay or impede the development and commercialization of any of our product candidates or products, if approved, and could have an adverse effect on our business, financial condition, results of operations and prospects. As part of our process development efforts, we also may make changes to the manufacturing processes at various points during development, for various reasons, such as controlling costs, achieving scale, decreasing processing time, increasing manufacturing success rate or other reasons. Such changes carry the risk that they will not achieve their intended objectives, and any of these changes could cause our current or future product candidates to perform differently and affect the results of our future clinical trials. In some circumstances, changes in the manufacturing process may require us to perform ex vivo comparability studies and to collect additional data from participants prior to undertaking more advanced clinical trials. For instance, changes in our process during the course of clinical development may require us to show the comparability of the product used in earlier clinical phases or at earlier portions of a trial to the product used in later clinical phases or later portions of the trial. Risks Related to Ownership of Our Common Stock Our quarterly and annual operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts or any guidance we may publicly provide, each of which may cause our stock price to fluctuate or decline. We expect our operating results to be subject to quarterly and annual fluctuations which may, in turn, cause the price of our common stock to fluctuate substantially. Our net loss and other operating results will be affected by numerous factors, including: • variations in the level of expense related to the ongoing development of ~~izokibep,~~ lonigutamab ~~, and our other product candidates~~ or future development programs; • results and timing of ongoing and future preclinical studies and clinical trials, or the addition or termination thereof; • the timing of payments we may make or receive under existing license and collaboration arrangements or the termination or modification thereof; • our execution of any strategic transactions, including acquisitions, collaborations, licenses or similar arrangements, and the timing and amount of payments we may make or receive in connection with such transactions; • any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved; • recruitment and departures of key personnel; • if any of our product candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such products; • regulatory developments affecting our product candidates or those of our competitors; • fluctuations in stock- based compensation expense; • the continuing impact of negative macroeconomic trends, such as ~~high~~ **fluctuating interest** rates ~~of~~**,** inflation **, potential tariffs** , supply chain disruptions and geopolitical instability ~~,~~ ~~and the COVID- 19 pandemic~~ on our business and operations; ~~and~~ **• our ability to achieve the expected cost benefits of the Restructuring Plan on the expected timeline, or at all;** • changes in general market and economic conditions ~~.~~**; • news regarding the Merger Agreement, including news impacting the likelihood of obtaining required stockholder approval or of otherwise closing the Merger; and • fluctuations in the stock price of Alumis as a result of any of the above or similar developments, which may impact the price of our common stock through the implied valuation in the Merger Agreement;** If our quarterly or annual operating results fall below the expectations of investors or securities analysts or any forecasts or guidance we may provide to the market, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated guidance we may provide. We believe that quarterly or annual comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance. Our stock price is likely to continue to be volatile, which could result in substantial losses

for investors. The market price of our common stock is likely to continue to be volatile and could fluctuate widely in response to many factors, including but not limited to: • **the pendency of the Merger and any developments related thereto; •** volatility and instability in the financial and capital markets; • announcements relating to our product candidates, including ~~the results of~~ **matters relating to** clinical trials **, such as trial design or trial results,** by us or our collaborators ~~such as our announcement of week 16 results from the Part B portion of our Phase 2b trial of izokibep in HS and the third party dose sequencing programming error in our Phase 2b / 3 trial in PsA, both of which significantly harmed our stock price~~ ; • announcements by competitors that impact our competitive outlook; • negative developments with respect to our product candidates, or similar products or product candidates with which we compete; • developments with respect to patents or intellectual property rights; • announcements of technological innovations, new product candidates, new products or new contracts by us or our competitors; • announcements relating to strategic transactions, including acquisitions, collaborations, licenses or similar arrangements; • actual or anticipated variations in our operating results due to the level of development expenses and other factors; • changes in financial estimates by equities research analysts and whether our earnings (or losses) meet or exceed such estimates; • announcement or expectation of financing efforts and receipt, or lack of receipt, of funding in support of conducting our business; • sales of our common stock by us, our insiders, or other stockholders, or issuances by us of shares of our common stock in connection with strategic transactions, financings or otherwise; • conditions and trends in the pharmaceutical, biotechnology and other industries; • regulatory developments within, and outside of, the United States, including changes in the structure of health care payment systems; • litigation or arbitration, including the pending purported securities class action lawsuit against us; • public health crises, natural disasters, major catastrophic events, general economic, political and market conditions and other factors; and • the occurrence of any of the risks described in this section titled " Risk Factors ". In recent years, the stock market in general, and the market for pharmaceutical and biotechnology companies in particular, has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. We are an " emerging growth company " and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors. We are an " emerging growth company " as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (i) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act **of 2022 (the" Sarbanes- Oxley Act")** , (ii) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (iii) exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not approved previously. We could be an emerging growth company for up to five years following the completion of our May 2023 initial public offering, although circumstances could cause us to lose that status earlier, including if we are deemed to be a " large accelerated filer, " which occurs when the market value of our shares that is held by non- affiliates equals or exceeds $ 700. 0 million as of the prior June 30, or if we have total annual gross revenue of $ 1. 24 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the December 31 of such year, or if we issue more than $ 1. 0 billion in non- convertible debt during any three- year period before that time, in which case we would no longer be an emerging growth company immediately. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an " emerging growth company " or affirmatively and irrevocably opt out of the exemption provided by Section 7 (a) (2) (B) of the Securities Act, upon issuance of a new or revised accounting standard that applies to our financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for non- emerging growth companies and the date on which we will adopt the recently issued accounting standard. Anti- takeover provisions in our charter documents and under Delaware law could prevent or delay an acquisition of us that may be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management. Our restated certificate of incorporation and our restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions: • establish a classified board of directors so that not all members of our board are elected at one time; • permit only the board of directors to establish the number of directors and fill vacancies on the board; • provide that directors may only be removed " for cause " and only with the approval of two- thirds of our stockholders; • require super- majority voting to amend some provisions in our restated certificate of incorporation and restated bylaws; • authorize the issuance of " blank check " preferred stock that our board could use to implement a stockholder rights plan; • eliminate the ability of our stockholders to call special meetings of stockholders; • prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; • prohibit cumulative voting; and • establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. In addition, Section 203 of the Delaware General Corporation Law (DGCL) may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15 % or more of our common stock. **Actions of activist stockholders could be disruptive to the Merger and our operations, and divert the attention of management. Stockholders have in the past and may, from time to time, submit hostile offers, engage in proxy solicitations or advance stockholder proposals, or otherwise attempt to effect changes and assert influence on our board of directors and**

management. For example, Tang Capital Management, LLC, through its affiliate, Concentra Biosciences, LLC, sent an unsolicited indication of interest to our board of directors in February 2025 offering to acquire all of our outstanding shares for $ 3. 00 per share in cash plus a contingent value right that represented the right to receive 80 % of the net proceeds from any out- license or disposition of our development programs or intellectual property (the " Concentra Indication of Interest "). Following a fulsome review, our board of directors determined that the Concentra Indication of Interest is not reasonably expected to result in a superior proposal to the Merger. Activist investors may attempt to effect changes in our strategic direction and how we are governed, or to acquire control over us. While we welcome the opinions of all our stockholders, activist campaigns that contest or conflict with our strategic direction could have an adverse effect on us. Responding to proxy contests and other actions by activist stockholders may disrupt our ability to complete the Merger, manage our operations, be costly and time- consuming, and divert the attention of our board of directors and management. In addition, perceived uncertainties as to our future direction may make it more difficult to attract and retain qualified personnel and business partners. These types of actions could cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. We have implemented a Rights Plan that could discourage a takeover or other transaction that stockholders may consider favorable. On March 13, 2025, our board of directors approved the adoption of a limited- duration stockholder rights plan (the " Rights Plan ") pursuant to a Rights Agreement with Computershare Trust Company, N. A., as rights agent (the " Rights Agreement "). Pursuant to the Rights Plan, we will issue one right (a " Right ") for each issued and outstanding share of our common stock as of the close of business on March 24, 2025. The rights will become exercisable only if a person or a group of affiliated or associated persons has become an " Acquiring Person, " which is defined in the Rights Agreement as a person or group of affiliated or associated persons who, at any time after March 13, 2025, acquires or obtains the right to acquire beneficial ownership of 10 % or more of our outstanding common stock (20 % in the case of a person who reports their beneficial ownership on Schedule 13G) (the " Triggering Percentage "). The Rights Plan will expire on March 12, 2026 unless earlier redeemed by us. The overall effect of the Rights Plan and the issuance of the Rights may be to discourage any person, entity or group from gaining a control or control- like position in our company or engaging in other tactics, potentially disadvantaging the interests of our stockholders, without negotiating with the Board and without paying an appropriate control premium to all stockholders. The Rights Plan has similar provisions to those of other plans adopted by publicly- held companies in comparable circumstances. It is intended to protect stockholders' interests, including by providing our board of directors sufficient time to make informed judgments and take actions that are in the best interests of all of our company' s stockholders and other stakeholders. Nevertheless, the Rights Plan and Rights may be considered to have certain anti- takeover effects, including potentially discouraging a third party from attempting to obtain a substantial position in our common stock or seeking to obtain control of our company and discouraging a takeover attempt that stockholders may consider favorable or that could result in a premium over the market price of our common stock. The exclusive forum provisions in our organizational documents may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or employees, or the underwriters of any offering giving rise to such claim, which may discourage lawsuits with respect to such claims. Our restated certificate of incorporation, to the fullest extent permitted by law, provides that the Court of Chancery of the State of Delaware is the exclusive forum for: 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 pursuant to the DGCL, our restated certificate of incorporation, or our restated bylaws; or any action asserting a claim that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, or the underwriters of any offering giving rise to such claims, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provisions contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition, results of operations and prospects. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Our restated bylaws provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or the Federal Forum Provision, including for all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any public offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While federal or other state courts may not follow the holding of the Delaware Supreme Court or may determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court, and our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act. Accordingly, actions by our stockholders to enforce any duty or liability created by the

Exchange Act or the rules and regulations thereunder must be brought in federal court, and our stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions in our restated bylaws, including the Federal Forum Provision. These provisions may limit a stockholders' ability, and / or may result in increased costs for a stockholder, to bring such a claim in a judicial forum of their choosing for disputes with us or our directors, officers, other employees or agents. That may discourage lawsuits against us and our directors, officers, other employees or agents. Our board of directors are authorized to issue and designate shares of our preferred stock without stockholder approval. Our amended and restated certificate of incorporation authorizes our board of directors, without the approval of our stockholders, to issue shares of preferred stock, subject to limitations prescribed therein or by applicable law, rules and regulations; to establish the number of shares to be included in each such series of preferred stock; and to fix the designation, powers, preferences and rights of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of convertible preferred stock may be senior to or on parity with our common stock, which may reduce our common stock' s value. Because we do not anticipate paying any dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be our stockholders' sole source of gain. We have never declared nor paid dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development, operation and expansion of our business and we do not anticipate declaring or paying any dividends in the foreseeable future. As a result, capital appreciation of our common stock, which may never occur, will be our stockholders' sole source of gain on investment for the foreseeable future. General Risk Factors Unstable economic and market conditions may have serious adverse consequences on our business, financial condition and stock price. Global economic and business activities continue to face widespread uncertainties, and global credit and financial markets have experienced extreme volatility and disruptions in the past several years, including severely diminished liquidity and credit availability, rising inflation and monetary supply shifts, rising interest rates, labor shortages, declines in consumer confidence, declines in economic growth, increases in unemployment rates, recession risks, and uncertainty about economic and geopolitical stability (for example, related to the ongoing **military and other conflicts between** Russia ~~–~~ **and** Ukraine ~~conflict~~ or **in** the **Middle East** ~~state of war between Israel and Hamas and the related risk of a larger regional conflict~~). The extent of the impact of these conditions on our operational and financial performance, including our ability to execute our business strategies and initiatives in the expected timeframe, as well as that of third parties upon whom we rely, will depend on future developments which are uncertain and cannot be predicted. There can be no assurance that further deterioration in economic or market conditions will not occur, or how long these challenges will persist. If the current equity and credit markets further deteriorate, or do not improve, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Furthermore, our stock price may decline due in part to the volatility of the stock market and the general economic downturn. If securities or industry analysts do not publish research or reports about our business, or if they publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock is influenced in part by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over the industry or securities analysts, or the content and opinions included in their reports and may never obtain research coverage by securities and industry analysts. If analysts cease coverage of us, we could lose visibility in the financial markets, and the trading price for our common stock could be impacted negatively. If any of the analysts who cover us publish inaccurate or unfavorable research or opinions regarding us, our business model, our intellectual property or our stock performance, or if our preclinical studies and clinical trials and operating results fail to meet the expectations of analysts, our stock price would likely decline. We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives and corporate governance practices. As a public company we incur significant legal, accounting and other expenses that we did not incur as a private company. The Securities Act, the Exchange Act, Sarbanes- Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Global Select Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will continue to need to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations to substantially increase our legal and financial compliance costs over those incurred as a private company and to make some activities more time consuming and costly, particularly after we are no longer an emerging growth company. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements, and these increased costs may require us to reduce costs in other areas of our business. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. Failure to maintain effective internal control over financial reporting could adversely affect our business and if investors lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be negatively affected. We are ~~not currently required to comply with the rules of the SEC implementing Section 404 of the Sarbanes- Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. However, we are~~ required to comply with the SEC' s rules implementing Sections 302 and 404 of the Sarbanes- Oxley Act, which require our management certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. **As** ~~Our first annual assessment of our internal control over financial reporting will not be required until our second annual report on Form 10- K, though we are required to disclose changes made in our internal control over financial reporting on a quarterly basis. Moreover, as~~ an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an

emerging growth company. At such time, our independent registered public accounting firm would need to issue a report that is adverse in the event that there are material weaknesses in our internal control over financial reporting. To comply with the requirements of being a public company, we have undertaken various actions, and will need to take additional actions, such as implementing ~~numerous internal~~ controls and procedures and hiring additional accounting or internal audit staff or consultants. Testing and maintaining internal controls **over financial reporting** can divert our management' s attention from other matters that are important to the operation of our business. ~~Additionally~~ **For example** , ~~as~~ **in connection with the preparation** of **our financial statements for the years ended** December 31, ~~2023~~ **2021 and 2022** , material weaknesses ~~exist~~ **were identified** in the design and operating effectiveness of our internal control over financial reporting. ~~If~~ **Additionally, as of December 31, 2023, material weaknesses existed in the design and operating effectiveness of our internal control over financial reporting. While** we **have** ~~are unable to remediate~~ **remediated** these material weaknesses **as of December 31** , **2024, we cannot assure you that there will not be material weaknesses or significant deficiencies in** ~~or~~ **our internal control over financial reporting in the future. If** we identify ~~more~~ material weaknesses that we are not able to timely remediate ~~to meet the applicable compliance deadline for the disclosure and attestation requirements of Section 404 of the Sarbanes- Oxley Act~~ , investors may lose confidence in the accuracy and completeness of our financial reports. As a result, the market price of our common stock could be negatively affected and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources. In addition, if we fail to ~~remedy~~ **remediate** any material ~~weakness~~ **weaknesses** , our financial statements could be inaccurate, and we could face restricted access to capital markets. Our disclosure controls and procedures may not be effective and 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 provide reasonable assurance 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. Our disclosure controls and procedures may not be effective. Any disclosure 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 because of the inherent limitations in all control systems. **In the future we might identify additional** ~~For example, our principal executive officer and principal financial officer concluded that, as of December 31, 2023, our disclosure controls and procedures were not effective due to~~ material weaknesses in ~~our~~ internal control over financial reporting that **also impact the effectiveness** ~~have not been remediated as~~ of ~~December 31, 2023~~ **our disclosure controls and procedures** . In any event, 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 formal risk management program for identifying and addressing risks to our business in other areas. We have been named a defendant in a purported securities class action lawsuit. This could result in substantial damages or other expenses, and could divert management ~~'~~ **'** s time and attention from our business. The market price of our common stock is likely to continue to be volatile. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. In addition, litigation, including securities class action litigation, has often followed the announcement of adverse clinical or regulatory events such as negative or inconclusive clinical trial results, announcements of significant business transactions, such as the sale or purchase of a company, or announcement of any other strategic transaction. Any of these events may also result in investigations by the SEC or other regulatory authorities. In this regard, on November 15, 2023, a purported federal securities class action lawsuit was commenced in the United States District Court for the Central District of California. **On February 15, 2024, the Court appointed joint lead plaintiffs and lead counsel.** An amended complaint was filed on March 26, 2024, naming us and current and former officers and directors as defendants. The complaint alleges that the defendants violated the Exchange Act and Securities Act in its disclosures regarding **the primary endpoint of HiSCR75 at week 16 not meeting statistical significance in** our Phase 2b trial of izokibep in HS. The **amended** complaint seeks damages and an award of reasonable costs and expenses, as well as such other and further relief as the court may deem just and proper **. On May 3, 2024, defendants filed their motion to dismiss the amended complaint, which remains pending** . This lawsuit is subject to inherent uncertainties, including its outcome. We could be subject to additional litigation in the future. We could be forced to expend significant resources and incur substantial legal fees and costs in the defense of this suit, and we may not prevail. We have not established any reserve for any potential liability relating to this lawsuit. It is possible that we could, in the future, incur judgments or enter into settlements of claims for monetary damages. A decision adverse to our interests could result in the payment of substantial damages, or possibly fines, and could have a material adverse effect on our cash flow, results of operations and financial position.