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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 27, 2024

ELIEM THERAPEUTICS, INC.
(Exact name of Registrant as Specified in Its Charter)

Delaware	**001-40708**	**83-2273741**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

PMB#117
2801 Centerville Road 1st Floor
Wilmington, DE **19808-1609**
(Address of Principal Executive Offices) **(Zip Code)**

Registrant's Telephone Number, Including Area Code: 1-877-ELIEMTX (354-3689)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

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

Introductory Note.

As previously disclosed, Eliem Therapeutics, Inc. (the "Company" or "Eliem") entered into (i) an Agreement and Plan of Merger and Reorganization, dated as of April 10, 2024 (the "Acquisition Agreement"), by and among the Company, Tango Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("Transitory Subsidiary"), Tenet Medicines, Inc., a Delaware corporation ("Tenet"), and, solely in his capacity as Tenet equityholder representative, Stephen Thomas, providing for the acquisition of Tenet by the Company through the merger of Transitory Subsidiary into Tenet, with Tenet surviving as a wholly owned subsidiary of the Company (the "Acquisition"), (ii) a securities purchase agreement, dated as of April 10, 2024 (the "Securities Purchase Agreement"), by and among the Company and several accredited institutional investors (the "PIPE Investors") pursuant to which the Company agreed to issue and sell to the PIPE Investors in a private placement an aggregate of 31,238,282 shares (the "PIPE Shares") of the Company's common stock (the "Private Placement"), and (iii) a registration rights agreement with the PIPE Investors, pursuant to which the Company agreed to register for resale the PIPE Shares.

On June 27, 2024, the Company completed its acquisition of Tenet in accordance with the terms of the Acquisition Agreement, and the Private Placement closed immediately following the closing of the Acquisition.

Item 1.01. Entry into a Material Definitive Agreement.

As a result of the Acquisition, the following agreements of Tenet effectively became agreements of the Company.

Acelyrin Asset Purchase Agreement

On January 11, 2024, Tenet entered into an asset purchase agreement (the "Asset Purchase Agreement") with Acelyrin, Inc. ("Acelyrin") and WH2, LLC providing for the acquisition of certain assets of Acelyrin related to TNT119 (the "Transferred Assets"), including certain assigned contracts. Under these assigned contracts, Tenet (i) received worldwide licenses (with the right to sublicense) to certain patents, know-how and other intellectual property rights to develop, manufacture, use and commercialize TNT119 (budoprutug) for any non-oncology indication, and (ii) assumed certain liabilities of Acelyrin arising from (1) governmental authority action or notification relating to TNT119, (2) contracts assigned to Tenet pursuant to the Asset Purchase Agreement and (3) Tenet's ownership, lease or operation of the Transferred Assets.

In addition, Tenet inherited the rights and obligations, including financial obligations, under the CRH Agreement (as defined below) and the ProBioGen Agreement (as defined below). In consideration for the license and other rights Tenet received under the Asset Purchase Agreement, Tenet is obligated to (i) make total payments of up to $157.5 million to Acelyrin upon the achievement of various development, regulatory and commercial milestones, (ii) pay royalties in the single-digit percentages, subject to specified reductions, to Acelyrin on worldwide net sales in a given calendar year, and (iii) make non-refundable and non-creditable payments to Acelyrin on sublicense income with rates ranging from the low single digit to mid teen percent depending on the stage of development of the most advanced Products (as defined below) at the time of such sublicense. The royalty term continues for each licensed product incorporating or comprising TNT119 (a "Product") on a country-by-country and Product-by-Product basis beginning on the first commercial sale of such Product and ending on the latest of (a) the date when such Product is no longer covered by a valid claim of a royalty-bearing patent in such country, (b) the expiration of any regulatory exclusivity period for such Product in such country, and (c) the twelfth anniversary of the first commercial sale of such Product in such country.

Tenet is obligated to use commercially reasonable efforts to commercialize at least one Product in the United States and to achieve specified development, regulatory and commercial milestones set forth in the Asset Purchase Agreement. If Acelyrin asserts that Tenet has failed to meet one or more of these diligence obligations within specified time periods, and such failure is finally determined through a dispute resolution process, Acelyrin shall have the right to repurchase the Transferred Assets at the then-fair market value of such Transferred Assets, as Acelyrin's sole and exclusive remedy for such breach.

If, within a specified period, Tenet receives a bona fide offer or proposal from a third party to sell, transfer or otherwise divest all or substantially all of the rights to the Transferred Assets or Products, or grant an exclusive license or exclusive sublicense to such third party to develop and commercialize Products under specified terms, then prior to entering into any discussions or negotiations with any third party in relation to such a transaction, Tenet shall provide written notice to Acelyrin of such intent or receipt of proposal. Acelyrin shall have the right to negotiate with Tenet the terms for a definitive agreement with respect to such sale, transfer or grant of the rights to Products for a specified period of time. If Acelyrin does not exercise its right to negotiate or the parties are unable to agree on the terms of a definitive agreement, Tenet shall have the right to negotiate or enter into an agreement with a third party with respect to such transaction, subject to specified conditions.

For a specified period after the Asset Purchase Agreement closing date, Tenet shall not solicit, induce, or attempt to induce any employees of Acelyrin to become employees or independent contractors of Tenet. If Tenet does hire or engage an employee of Acelyrin during such period, Tenet is obligated to make a certain payment to Acelyrin.

Tenet may not sell, assign or transfer all or substantially all of the rights to develop or commercialize a Product unless, as a condition to such sale, assignment or transfer, the purchaser, assignee or transferee (as applicable) assumes in writing all obligations of Tenet as set forth in the Asset Purchase Agreement with respect to the applicable Products.

The foregoing description of the Asset Purchase Agreement does not purport to be complete and is qualified in its entirety by the full text of the Asset Purchase Agreement, which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

CRH Agreement

In connection with the Asset Purchase Agreement, in January 2024 Tenet was assigned a license agreement with Cancer Research Technology Limited ("CRH") and, in connection with such assignment, Tenet entered into an amended and restated license agreement with CRH (the "CRH Agreement"). The CRH Agreement granted Tenet a worldwide exclusive license (other than specified patent rights and materials, which are licensed to Tenet on a non-exclusive basis) under certain know-how, patents and materials, or the licensed rights, to research, develop, test, manufacture or sell certain licensed products related to TNT119, for all therapeutic uses except for oncology indications. Tenet is permitted to grant a sublicense under these licenses with CRH's prior written consent. CRH retains, on behalf of itself and the charitable company Cancer Research U.K., a worldwide, fully paid-up, perpetual and irrevocable right in the licensed rights and in certain intellectual property owned or controlled by Tenet that is necessary to exploit the licensed products and used, conceived or generated in the course of exercising the license or exploiting any licensed product, or product-specific foreground intellectual property, for the purpose of non-commercial, non-clinical scientific research.

Tenet is obligated to use commercially reasonable efforts to perform all activities set forth in a mutually agreed-upon development plan within the timelines set forth therein. Tenet is also obligated to develop at least one licensed product in an autoimmune indication and to pursue worldwide regulatory authorization for licensed products. Tenet must use commercially reasonable efforts to commercialize each licensed product throughout each of the specified major markets as soon as practicable following receipt of regulatory authorization for such product in such market. Additionally, Tenet must make the licensed product available through the United Kingdom and negotiate with relevant regulatory authorities to make each licensed product available through the National Health Service in England and Wales within a specified time of the licensed product being made available elsewhere in the territory. If Tenet fails to meet one or more of these diligence obligations, and such failure is not remedied within the specified cure period, CRH shall have the right to terminate the CRH Agreement with respect to the relevant licensed product.

Tenet is obligated to pay CRH a mid-five figure digit fee on each anniversary of the effective date. Tenet is obligated pay up to an aggregate of £106.8 million ($136.1 million) upon the achievement of specified development, regulatory,

commercial and sales milestone events, including: (i) payments of up to mid-six figure digits in pounds sterling for certain development milestones, (ii) payments of up to low-eight figures in pounds sterling per indication (for up to three indications) for certain regulatory and commercial milestones and (iii) payments up to mid-eight figures in pounds sterling for certain sales milestones. Tenet is also obligated to pay tiered royalties ranging from a rate in the mid-single digit to high-single digit percentage on net sales. The royalty term continues for each licensed product on a country-by-country basis beginning on the first commercial sale of such licensed product and ending on the latest of (a) the date when such licensed product is no longer covered by a valid claim of a licensed patent in such country, (b) the expiration of the exclusivity period for such licensed product in such country, and (c) the tenth anniversary of the first commercial sale of such licensed product in such country. Tenet is also responsible for a sublicensing revenue payment ranging from a rate in the mid-single digit to mid-double digits for any sublicense revenue.

The agreement shall remain in effect in each country in the territory until the expiry of Tenet's obligation to pay royalties in such country. Either party may terminate this agreement if the other party is in material breach that has not been remedied within the specified cure period or if the other party becomes insolvent. CRH also has the right to terminate the agreement if Tenet or one of Tenet's sublicensees or affiliates challenges a licensed patent, or if Tenet is acquired by a tobacco company.

The foregoing description of the CRH Agreement does not purport to be complete and is qualified in its entirety by the full text of the CRH Agreement, which is filed herewith as Exhibit 10.2 and incorporated herein by reference.

ProBioGen Agreement

Under the Asset Purchase Agreement, Tenet was assigned a cell line development, manufacturing services and license agreement (the "ProBioGen Agreement") originally entered into by ValenzaBio, Inc. and ProBioGen AG ("ProBioGen") in February 2021.

The ProBioGen Agreement granted Tenet a non-exclusive license under certain know-how, patents and materials, to use cell lines in which ProBioGen's proprietary technology is applied, to research, develop, manufacture, use, sell, offer to sell, import or export TNT119. This license includes a non-exclusive sublicense by ProBioGen of certain third party patent rights, limited to the use of TNT119.

Tenet is obligated to (i) make payments of up to €10.0 million ($10.9 million) upon the achievement of certain development, manufacturing and commercial milestones, including the start of a Phase 2 clinical trial for TNT119, and (ii) make milestone payments of up to €7.0 million ($7.7 million) upon the achievement of certain sales milestones. If Tenet elects to contract ProBioGen to perform certain manufacturing services for TNT119, the milestone payments would be reduced by €0.9 million ($1.1 million).

The ProBioGen Agreement will remain in effect until the services are completed for the service-related component and until the payment obligations expire in connection with the commercial license component. Both parties have the right to terminate the ProBioGen Agreement if the other party becomes insolvent, or materially breaches the ProBioGen Agreement and fails to remedy such default within the specified cure period.

The foregoing description of the ProBioGen Agreement does not purport to be complete and is qualified in its entirety by the full text of the ProBioGen Agreement, which is filed herewith as Exhibit 10.3 and incorporated herein by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

As previously disclosed, on April 10, 2024, the Company, Transitory Subsidiary, Tenet and Stephen Thomas, acting solely in his capacity as Tenet equityholder representative, entered into the Acquisition Agreement. On June 27, 2024, the Company completed its acquisition of Tenet in accordance with the terms of the Acquisition Agreement.

At the closing of the Acquisition, the Company issued an aggregate of 5,560,047 shares of its common stock, par value $0.0001 per share (the "Common Stock") to Tenet equityholders (the "Aggregate Consideration").

The material terms and conditions of the Acquisition Agreement were described in Item 1.01 of the Current Report on Form 8-K filed by the Company on April 11, 2024 (the "Prior Report") under the heading "Acquisition Agreement," which description is incorporated herein by reference and is qualified in its entirety by reference to the full text of the Acquisition Agreement, which was filed as Exhibit 2.1 to the Prior Report.

Item 3.02. Unregistered Sales of Equity Securities.

Pursuant to the Acquisition Agreement, the Company issued 5,560,047 shares of Common Stock to the former Tenet equityholders in accordance with the terms and conditions set forth in the Acquisition Agreement. The nature of the transaction and the nature and amount of consideration received by Tenet's equityholders are described in Item 2.01 of this Current Report on Form 8-K, which is incorporated by reference into this Item 3.02.

On April 10, 2024, the Company entered into the Securities Purchase Agreement with the PIPE Investors, pursuant to which, on June 27, 2024, the Company issued the PIPE Shares. The Private Placement closed immediately following the closing of the Acquisition on June 27, 2024. The Company received aggregate gross proceeds from the Private Placement of approximately $120.0 million, before deducting estimated offering expenses payable by the Company.

The issuance of the Aggregate Consideration in the Acquisition and the offering and sale of PIPE Shares in the Private Placement were made in reliance on the exemption afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") and/or Rule 506 of Regulation D promulgated under the Securities Act and corresponding provisions of state securities or "blue sky" laws. The Aggregate Consideration issued in the Acquisition and the PIPE Shares issued and sold in the Private Placement were not registered under the Securities Act or any state securities laws and such securities may not be offered or sold in the United States absent registration with the Securities and Exchange Commission (the "SEC") or an applicable exemption from the registration requirements. The issuance of the Aggregate Consideration in the Acquisition and the issuance and sale of the PIPE Shares did not involve a public offering and were made without general solicitation or general advertising. The Tenet equityholders and the PIPE Investors have represented that they are accredited investors, as such term is defined in Rule 501(a) of Regulation D under the Securities Act, and that they are acquiring the securities for investment purposes only and not with a view to any resale, distribution or other disposition of the securities in violation of the United States federal securities laws.

The foregoing description of the Securities Purchase Agreement contained herein does not purport to be complete and is qualified in its entirety by reference to the full text of the Securities Purchase Agreement, which was filed as Exhibit 10.4 to the Prior Report.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously disclosed, on June 12, 2024, the Company's Board of Directors (the "Board") appointed Aoife Brennan, M.B., Ch.B., as President and Chief Executive Officer of the Company, effective upon the closing of the Acquisition (the "Effective Date"). In addition, Dr. Brennan was elected as a director to serve on the Board from the Effective Date until the Company's 2027 annual meeting of stockholders and thereafter until her successor has been duly elected and qualified or until her earlier death, resignation or removal.

In addition, as previously disclosed, on June 12, 2024, the Board elected Stephen Thomas, Ph.D., the then-Chief Executive Officer of Tenet, to serve as a director on the Board, subject to and contingent and effective upon the closing of the Acquisition, from the Effective Date until the Company's 2025 annual meeting of stockholders and thereafter until his successor has been duly elected and qualified or until his earlier death, resignation or removal. Dr. Thomas will also serve as a consultant to the Company, subject to and contingent and effective upon the closing of the Acquisition. On the Effective Date, Dr. Thomas entered into a consulting agreement with the Company, pursuant to which Dr. Thomas will be paid a fixed consulting fee equal to $10,000 per month, as well as a transaction bonus in the amount of $150,000.

Additionally, as of the Effective Date, the Board granted to Dr. Thomas 200,750 restricted stock units ("RSUs"), pursuant to the Company's 2021 Equity Incentive Plan. Of the RSUs granted to Dr. Thomas, 100,375 will vest, subject to continued service, with 50% of such RSUs vesting on January 1, 2025, 25% of such RSUs vesting on March 27, 2025 and the remaining 25% of such RSUs vesting on June 27, 2025. The remaining 100,375 RSUs will vest subject to the satisfaction of performance conditions, including the achievement of specified operational milestones on or before September 30, 2025.

Dr. Thomas will also be entitled to receive annual cash retainers for his service as a director, plus additional cash compensation for any committee service, and future annual equity grants in accordance with the Company's non-employee director compensation program.

Item 7.01. Regulation FD Disclosure.

On June 27, 2024, the Company issued a press release announcing, among other things, the closing of the Acquisition and the Private Placement. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

The information furnished under this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that section, nor shall it be deemed incorporated by reference in any filings under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 8.01. Other Events.

The Company is filing as Exhibit 99.2 and Exhibit 99.3 hereto a description of the acquired Tenet business and certain risk factors related to the acquired Tenet business that are relevant to the Company after giving effect to the Acquisition, respectively, which are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The audited balance sheet of Tenet as of December 31, 2023 and the related statements of operations and comprehensive loss, stockholders' deficit and cash flows for the period from November 8, 2023 (inception) to December 31, 2023, are attached hereto as Exhibit 99.4 and incorporated herein by reference.

The unaudited interim condensed balance sheet of Tenet as of March 31, 2024, and the related condensed statements of operations and comprehensive loss, stockholders' deficit and cash flows for the three months ended March 31, 2024, are attached hereto as Exhibit 99.5 and incorporated herein by reference.

(b) Pro Forma Financial Information

The unaudited pro forma condensed combined financial statements of the Company and Tenet for the year ended December 31, 2023 and as of and for the three months ended March 31, 2024 are attached hereto as Exhibit 99.6 and incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
10.1*	Asset Purchase Agreement, dated as of January 11, 2024, by and between Tenet Medicines, Inc., Acelyrin, Inc. and WH2, LLC
10.2*	Amended and Restated License Agreement, dated as of January 11, 2024, by and between Tenet Medicines, Inc. and Cancer Research Technology Limited
10.3*	Cell Line Development, Manufacturing Services and License Agreement, effective as of February 9, 2021, by and between ValenzaBio, Inc. and ProBioGen, Inc.
23.1	Consent of Deloitte & Touche LLP

99.1	Press Release, dated June 27, 2024
99.2	Description of the Acquired Tenet Business
99.3	Risk Factors Related to the Acquired Tenet Business and the Company Post-Closing
99.4	Audited balance sheet of Tenet as of December 31, 2023 and the related statements of operations and comprehensive loss, stockholders' deficit and cash flows for the period from November 8, 2023 (inception) to December 31, 2023
99.5	Unaudited interim condensed balance sheet of Tenet as of March 31, 2024, and the related condensed statements of operations and comprehensive loss, stockholders' deficit and cash flows for the three months ended March 31, 2024
99.6	Unaudited pro forma condensed combined financial statements of the Company and Tenet for the year ended December 31, 2023 and as of and for the three months ended March 31, 2024
104	Cover Page Interactive Data File (formatted as Inline XBRL)

* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation statements regarding: future expectations, plans and prospects for Eliem following the consummation of the acquisition of Tenet by Eliem; the anticipated benefits of the acquisition; the strategy, anticipated milestones and key inflection points of the combined company; the anticipated use of proceeds of the private placement; the anticipated cash runway of the combined company; expectations regarding TNT119's therapeutic benefits, clinical potential and clinical development, and anticipated timelines for initiating clinical trials of TNT119, including initiating Phase 2 clinical trials for the treatment of SLE and ITP in the second half of 2024; and other statements containing the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would," "will," "working" and similar expressions. Any forward-looking statements are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in, or implied by, such forward-looking statements. Eliem may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. These risks and uncertainties include, but are not limited to, important risks and uncertainties associated with: the ability of Eliem to timely and successfully achieve or recognize the anticipated benefits of the acquisition; the outcome of any legal proceedings that are instituted against Eliem or Tenet relating to the acquisition and related transactions; costs related to the acquisition, including unexpected costs, charges or expenses resulting from the acquisition; changes in applicable laws or regulation; the possibility that the combined company may be adversely affected by other economic, business and/or competitive factors; competitive responses to the transactions; Eliem's ability to advance TNT119 and/or its other product candidates on the timelines expected or at all and to obtain and maintain necessary approvals from the U.S. Food and Drug Administration and other regulatory authorities; obtaining and maintaining the necessary approvals from investigational review boards at clinical trial sites and independent data safety monitoring board; replicating in clinical trials positive results found in early-stage clinical trials of TNT119; competing successfully with other companies that are seeking to develop treatments for systemic lupus erythematosus, immune thrombocytopenia, membranous nephropathy and other autoimmune driven inflammatory diseases; maintaining or protecting intellectual property rights related to TNT119 and/or its other product candidates; managing expenses; raising the substantial additional capital needed, on the timeline necessary, to continue development of TNT119 and other product candidates Eliem may develop; and achieving Eliem's other business objectives. For a discussion of other risks and uncertainties, and other important factors, any of which could cause Eliem's actual results to differ materially from those contained in the forward-looking statements, see the "Risk Factors" section, as well as discussions of potential risks, uncertainties and other important factors, in Eliem's most recent filings with the SEC. In addition, the forward-looking statements included in this Current Report on Form 8-K represent Eliem's views as

of the date hereof and should not be relied upon as representing Eliem's views as of any date subsequent to the date hereof. Eliem anticipates that subsequent events and developments will cause Eliem's views to change. However, while Eliem may elect to update these forward-looking statements at some point in the future, Eliem specifically disclaims any obligation to do so.

SIGNATURES

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

Eliem Therapeutics, Inc.

Date: June 27, 2024

By: /s/ Andrew Levin

Andrew Levin, M.D., Ph.D.
Executive Chairman of the Board of Directors

Exhibit 10.1

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

EXECUTION VERSION
CONFIDENTIAL

ASSET PURCHASE AGREEMENT

BETWEEN

ACELYRIN, INC.,

WH2, LLC

AND

TENET MEDICINES, INC.

DATED AS OF

January 4, 2024

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of January 4, 2024, is made by and between Tenet Medicines, Inc., a Delaware corporation ("Buyer"), ACELYRIN, INC., a Delaware corporation ("Parent"), and WH2, LLC, a Delaware limited liability company and wholly-owned subsidiary of Parent ("WH2", and together with Parent, "Seller").

WHEREAS, Seller obtained rights to Budoprutug (as defined below) as a result of its acquisition of ValenzaBio, Inc., a Delaware corporation, in January 2023, pursuant to that certain Agreement and Plan of Merger and Reorganization, dated as of December 20, 2022, by and among Parent, WH1, Inc., a Delaware corporation, WH2, ValenzaBio, Inc. and Shareholder Representative Services LLC, a Colorado limited liability company;

WHEREAS, Buyer desires to obtain rights to Budoprutug in order to progress development and commercialization efforts relating to Products (as defined herein); and

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to (a) purchase (or cause its Affiliates to purchase) from Seller the Transferred Assets (as defined herein) and (b) assume (or cause its Affiliates to assume) the Assumed Liabilities (as defined herein), in each case, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions.

As used in this Agreement, the following terms have the meanings set forth below:

"Accounting Firm" means either [***], or if each such firm is unable or unwilling to act, another nationally recognized independent (as to Buyer and Seller) accounting firm reasonably acceptable to Buyer and Seller.

"Accounting Standards" means, with respect to a Selling Party and the calculation of Net Sales for the purposes of this Agreement, United States generally accepted accounting principles or International Financial Reporting Standards as issued by the International Accounting Standards Board, as applicable, in each case, which are currently used at the relevant time and consistently applied by the applicable Selling Party.

"Affiliate" means, with respect to any Person, any other Person that controls, is controlled by or is under common control with such Person, but for only so long as such control exists (and for this purpose, the term "control" means (a) the power to direct the management and policies of a Person (directly or indirectly), whether through ownership of voting securities, by Contract or otherwise; or (b) the direct or indirect ownership of more than fifty percent (50%) of the voting share or other equity interest in a Person (and the terms controlling and controlled have meanings correlative to the foregoing)).

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

"Allocation Methodology Schedule" has the meaning set forth in Section 7.4(d).

"Allocation Statement" has the meaning set forth in Section 7.4(d).

"Ancillary Agreements" means the Assignment and Assumption Agreement, the Bill of Sale, the Confidentiality Agreement, Transition Services Agreement and the other documents, instruments, exhibits, annexes, schedules or certificates contemplated hereby and thereby.

"Assignment and Assumption Agreement" means an Assignment and Assumption Agreement, substantially in the form attached hereto as Exhibit A and executed concurrently with the execution and delivery of this Agreement, to effect the assignment of the Transferred Assets as contemplated by this Agreement.

"Assumed Liabilities" has the meaning set forth in Section 2.3(a).

"Bill of Sale" means a Bill of Sale, substantially in the form attached hereto as Exhibit B and executed concurrently with the execution and delivery of this Agreement to transfer the Transferred Assets to Buyer as contemplated by this Agreement.

"Biosimilar Competition" shall mean, with respect to a Product in a jurisdiction and a Calendar Quarter, that [***]

"Biosimilar Product" shall mean, with respect to a Product sold by or on behalf of a Party (or its Affiliates or sublicensees) in a jurisdiction, any pharmaceutical/biologic product that: (a) is sold in such jurisdiction under an independent marketing authorization by a Third Party that is not a sublicensee of such Party or its Affiliates and did not purchase or acquire such product in a chain of distribution that included a Party or any of its Affiliates or sublicensees; and (b) has received such marketing authorization as a "generic medicinal product," "biosimilar," "bioequivalent," "similar biological medicinal product," or similar designation by the applicable Regulatory Authority in such jurisdiction, pursuant to an approval process in accordance with the then-current rules and regulations in such jurisdiction, whereby the "reference medicinal product," "reference listed product" or similar designation used in such marketing authorization in such jurisdiction relies upon or references such Product as the reference product, including through the pathway under Section 505(b)(2) of the FFDCA or Section 505(j) of the FFDCA (or similar pathways outside the U.S.).

"BLA" means a Biologics License Application (as more fully defined in 42 U.S.C. § 262, 21 C.F.R. § 601.2(a), as amended from time to time) submitted to the FDA, or any foreign counterpart to the foregoing filed with any Regulatory Authority outside of the United States, in each case, including all amendments and supplements thereto.

"Budoprutug" means (a) the compound known as of the Closing Date as SLRN119, or (b) any compound that: (i) falls within the scope of one or more Valid Claims of any of the Royalty-Bearing Patents in the relevant country or territory; and/or (ii) has been developed using or incorporating any part of the Licensed Rights (as such term is defined in the CRT Agreement) or the Owned Intellectual Property, and any [***] of any compound in (a) or (b).

"Business" means the pre-clinical and clinical development, manufacture and commercialization of Budoprutug as conducted by Seller and its Affiliates immediately prior to the Closing Date.

"Business Day" means any day other than a Saturday, Sunday or other day on which banks in New York, New York are permitted or required to close by applicable Law.

"Buyer" has the meaning set forth in the preamble.

"Buyer Fundamental Representations" means the representations and warranties made in Section 6.1, Section 6.2, Section 6.3(ii) and Section 6.7.

"Buyer Indemnified Parties" has the meaning set forth in Section 8.2.

"Calendar Quarter" means the three (3)-month period commencing on January 1, April 1, July 1, and October 1 during a given Calendar Year (defined below).

"Calendar Year" means the twelve (12)-month period commencing on January 1 and ending on December 31 of a given year, except that the first Calendar Year for purposes of Section 3.3 shall commence on the Closing Date and end on December 31 of the year in which the Closing Date occurs, and the last Calendar Year for purposes of Section 3.3 shall commence on January 1 of the last year of the Royalty Term and end upon the last day of the Royalty Term.

"Clinical Trial" shall mean a human clinical trial of a drug candidate or pharmaceutical or biologic product, including any Phase 1 Clinical Trial, Phase 2 Clinical Trial or Phase 3 Clinical Trial, any study incorporating more than one of these phases (including a Pivotal Clinical Trial), or any human clinical trial commenced after marketing approval.

"Closing" and "Closing Date" have the respective meanings set forth in Section 4.1.

"Closing Payment" has the meaning set forth in Section 3.1(a)(i).

"Code" means the United States Internal Revenue Code of 1986.

"Combination Product" means a Product that contains Budoprutug as an active ingredient and includes at least one additional active therapeutic ingredient other than Budoprutug (each, an "Other Active"), either as a fixed dose combination, co-formulated product or sold in a single package or container, or otherwise co-prescribed or bundled as a single unit, and sold for a single price. [***]

"Commercial Milestone" has the meaning set forth in Section 3.2(b).

"Commercial Milestone Payment" has the meaning set forth in Section 3.2(b).

"Commercially Reasonable Efforts" means that level of efforts and resources commonly dedicated by [***] carrying out similar activities for development or commercialization of a product of similar commercial potential at a similar stage in its development or lifecycle, in each case taking into account issues of safety and efficacy, Intellectual Property coverage, stage of development, product profile, competitiveness of the marketplace, supply chain, proprietary position, regulatory exclusivity, anticipated or approved labeling, present and future market and commercial potential, the likelihood of receipt of Regulatory Approval, profitability (including pricing and reimbursement status achieved or likely to be achieved and amounts payable to Third Party licensors of Patents [***]

"Confidentiality Agreement" has the meaning set forth in Section 7.1(a).

"Contract" means any legally binding contract, subcontracts, agreement, instrument, lease, license, commitment, sales and purchase orders, and other instruments, arrangements or understandings of any kind, together with amendments, modifications and supplements thereto.

"Control" means, with respect to any document, information, material or Intellectual Property right, possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to sell, transfer or assign or grant a license, sublicense or other right (including the right to reference any regulatory documentation) to or under such document, information, material, or Intellectual Property right to the extent permitted under applicable Law and as provided for herein without violating the terms of any agreement or other Contract with any Third Party.

"Covers" means, with respect to a particular subject matter at issue and a relevant Patent and a composition of matter, article or method (including methods of use and methods of manufacture), such as a referenced product, activity or service, that such Patent would be infringed or misappropriated by the unauthorized making, use, sale, offer for sale, sale, copying, distribution, display, practice, performance, import, export, lease or other disposition, of such composition of matter, article or method.

"CRE Milestones" means the Development Milestones set forth in Sections 3.2(a)(i), (iii) and (v).

"CRT" means Cancer Research Technology Limited.

"CRT Agreement" means that certain License Agreement between ValenzaBio, Inc. and CRT, dated February 27, 2020 (as amended on January 11, 2021 and further amended on November 17, 2023 and assumed by WH2).

"Development Milestone" has the meaning set forth in Section 3.2(a).

"Development Milestone Payment" has the meaning set forth in Section 3.2(a).

"Dollars" means U.S. dollars.

"EMA" means the European Medicines Agency or any successor agency thereto.

"Encumbrance" means any mortgage, charge, lien, security interest, easement, right of way, pledge restriction or encumbrance of any kind.

"Enforceability Exceptions" has the meaning set forth in Section 5.2.

"European Major Market" means each of the [***].

"Excluded Assets" has the meaning set forth in Section 2.2(b).

"Excluded Contracts" has the meaning set forth in Section 2.2(b)(viii).

"Excluded Liabilities" has the meaning set forth in Section 2.3(b).

"Expert" has the meaning set forth in the definition of "Net Sales" in this Section 1.1.

"FDA" means the U.S. Food and Drug Administration or any successor agency thereto.

"FFDCA" means the United States Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301 et seq., as amended from time to time.

"First Commercial Sale" means, with respect to a Product and a country, the first sale for monetary value for use or consumption by the Third Party end user of such Product in such country after all Regulatory Approvals for the sale of such Product in such Country have been granted by the applicable Regulatory Authority or Governmental Authority of such Country. Sales prior to receipt of all Regulatory Approvals for such Product in such Country, such as so called "treatment IND sales," and "compassionate use sales," shall not be construed as a First Commercial Sale.

[***] means [***]

[***] means [***]

[***] means [***]

[***] means [***]

[***] means [***]

[***] means [***]

[***] means [***]

"Fraud" means, with respect to any Person, intentional common law fraud under Delaware Law in the making of one or more of the representations and warranties set forth in this Agreement or any Ancillary Agreement.

"Governmental Authority" means any supra-national, federal, foreign, national, state, county, local, municipal or other governmental, regulatory or administrative authority, agency, commission or other instrumentality, any court, tribunal or arbitral body with competent jurisdiction, including Regulatory Authorities.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Inbound Licenses" has the meaning set forth in Section 5.13(e).

"Indemnified Party" has the meaning set forth in Section 8.5(a).

"Indication" means each separate and distinct disease, disorder, illness, health condition, or interruption, cessation or disruption of a bodily function, system, tissue type or organ, for which Regulatory Approval is required.

"Intellectual Property" means (a) Patents; (b) Know-How; (c) works of authorship, copyrightable works, copyrights, and applications, registrations and renewals in connection therewith; (d) mask works and applications, registrations and renewals in connection therewith; (e) software and database rights; (f) copies and tangible embodiments and expressions (in whatever form or medium), all improvements and modifications and derivative works of any of the foregoing; and (g) all rights to sue at law or in equity for any past or future infringement or other impairment of any of the foregoing, including the right to receive all proceeds and damages therefrom.

"IRS" means the United States Internal Revenue Service.

"Know-How" means technical information, know-how and data, including inventions (whether patentable or not), discoveries, trade secrets, specifications, instructions, processes and formulae, including all biological, chemical, pharmacological, biochemical, toxicological, pharmaceutical, physical, safety, quality control, preclinical and clinical data.

"Knowledge" of Buyer means all such facts, circumstances or other information, of which William Bonificio, Stephen Thomas or Tatyana Touzova is actually aware or would reasonably be expected to have become aware after (and assuming) a due inquiry under the circumstances.

"Knowledge" of Seller means all such facts, circumstances or other information, of which the applicable Person listed on Schedule 1.1 of the Seller Schedules is actually aware or would reasonably be expected to have become aware after (and assuming) a due inquiry under the circumstances.

"Law" means any applicable law, judgment, order, decree, statute, ordinance, rule, code, regulation, directive or other requirement or rule of law enacted, issued or promulgated by any Governmental Authority.

"Letter of Interest" means that certain Letter of Interest, dated as of September 22, 2023, by and between WDB, LLC, a Delaware limited liability company, and Seller, as amended, which was assigned from WDB, LLC to Buyer on November 21, 2023.

"Liability" means any debt, liability, claim, expense, Tax, commitment or obligation of whatever kind, whether known or unknown, direct or indirect, accrued or fixed, absolute or contingent, due or to become due, matured or not or determined or determinable, vested or unvested, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, and whether or not the same is required to be accrued on the financial statements of such Person.

"Licensed Intellectual Property" means all Intellectual Property that is Controlled, but not owned (in whole or in part) by Seller or any of its Affiliates.

"Losses" means any and all damages, losses, Liabilities, Taxes, judgments, settlements, awards, fines, fees, charges, penalties, costs and expenses suffered or incurred and paid (including reasonable legal fees and expenses incurred in investigating and/or prosecuting any claim for indemnification); *provided*, that "Losses" shall not include any unforeseeable, consequential or expectation damages or exemplary or punitive damages (except to the extent paid or payable by an Indemnified Party to a Third Party in connection with a Third Party claim).

"MAA" means a marketing authorization application or equivalent application (including a "*New Drug Application*" as defined in the FFDCA), and all amendments and supplements thereto, filed with the applicable Regulatory Authority in the Territory.

"Medpace MSA" means that certain [***].

"Medpace Prepayment Amount" means a cash amount equal to [***] paid by Seller to Medpace, Inc. in connection with the Medpace MSA.

"Milestone Parties" means, collectively, (a) Buyer, its Affiliates and/or its or their respective partners, licensees, sublicensees, agents or Representatives, (b) any other Person who is granted, receives or otherwise is transferred rights for the development, Regulatory Approval or commercialization of Products (in whole or in part), (c) any other Person that has been delegated responsibility for achieving the Milestone or for the development, Regulatory Approval or commercialization of any Product (in whole or in part), and (d) any assignees and successors of any of the foregoing (a) through (c) (each, a "Milestone Party").

"Milestone Payment Shortfall" has the meaning set forth in Section 3.8(c).

"Milestone Payments" has the meaning set forth in Section 3.2(b).

"Milestone Update Report" has the meaning set forth in Section 3.9(c).

"Milestones" has the meaning set forth in Section 3.2(b).

"Negotiation Period" has the meaning set forth in Section 3.6(a).

"Net Sales" means, with respect to Products, the gross amounts invoiced for sales or other dispositions of Products by or on behalf of Buyer or any Milestone Party (each, a "Selling Party") to Third Parties (including wholesalers or distributors) in bona fide arm's length transactions, less the following deductions in each case related specifically to the Product and actually allowed and taken by such Third Parties and not otherwise recovered by or reimbursed to the Selling Party determined in each case in accordance with U.S. GAAP (or such Third Party's applicable accounting standards), in each case documented:

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

(v) [***]

(vi) [***]

In no event will any particular amount identified above be deducted more than once in calculating Net Sales. Net Sales will be calculated on an accrual basis, in a manner consistent with Accounting Standards. To the extent any accrued amounts used in the calculation of Net Sales are estimates, such estimates shall be trued-up in accordance Accounting Standards, and Net Sales and related payments under this Agreement shall be reconciled as appropriate. [***]

If a Product is a Combination Product in a country, the Net Sales for such Combination Product in such country shall be calculated as follows:

(a) If both (x) a product containing Budoprutug as its sole active ingredient (the "Mono Product"), and (y) the Other Active, are each sold separately in such country in the same dosage and form and in the same country as the Combination Product during the applicable reporting period, then Net Sales for the Combination Product shall be calculated by [***]

(b) If both the Mono Product or Other Active(s) in the Combination Product are sold separately in such country, but not at an equivalent dosage or form as contained in the Combination Product, then the price when sold separately shall be adjusted [***]

(c) If a Selling Party separately sells in such country the Mono Product but does not separately sell in such country products containing as their sole active ingredients the Other Actives in such Combination Product, the Net Sales attributable to such Combination Product shall be calculated by [***]

(d) If neither the Product nor the Other Active(s) were sold separately in such country during the applicable reporting period at any dosage strength, then Net Sales will be calculated by [***]

"Noncompetition Waivers" means the Noncompetition Waivers, substantially in the form attached hereto as Exhibit D and executed concurrently with the execution and delivery of this Agreement.

"Non-Transferable Asset" has the meaning set forth in Section 2.4.

"Ordinary Course of Business" means the ordinary and usual course of normal day to day operations of the Business through the date hereof consistent with past practice.

"Owned Intellectual Property" has the meaning set forth in Section 2.2(a)(vii).

"Owned Product Intellectual Property" means Product Intellectual Property that is owned or purported to be owned by Seller or its Affiliates.

"Parent" has the meaning set forth in the preamble.

"Party" or "Parties" means the parties to this Agreement.

"Patents" means patents, patent applications and patent disclosures, together with any reissuances, provisionals, divisionals, substitutions, continuations, continuations-in-part, revisions, extensions and reexaminations thereof, in all instances including the United States and all foreign equivalents anywhere throughout the world.

"Permits" means all consents, approvals, authorizations, certificates, filings, notices, permits, concessions, registrations, franchises, licenses or rights of or issued by any Regulatory Authority or other Governmental Authority, including Regulatory Approvals.

"Permitted Encumbrances" means: (i) [***] (ii) [***] and (iii) [***]

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, business association, organization, Governmental Authority or other entity.

"Phase 1 Clinical Trial" means a human clinical trial of a Product that would satisfy the requirements of 21 C.F.R. § 312.21(a), regardless of where such trial is conducted and regardless of whether the sponsor of such trial characterizes or refers to such trial as a "Phase 1" trial (or otherwise).

"Phase 2 Clinical Trial" means a human clinical trial of a Product that would satisfy the requirements of U.S. 21 C.F.R. Part § 312.21(b), regardless of where such trial is conducted and regardless of whether the sponsor of such trial characterizes or refers to such trial as a "Phase 2" trial (or otherwise).

"Phase 3 Clinical Trial" means a human clinical trial of a Product that would satisfy the requirements of U.S. 21 C.F.R. Part § 312.21(c), regardless of where such trial is conducted and regardless of whether the sponsor of such trial characterizes or refers to such trial as a "Phase 3" trial (or otherwise).

"Pivotal Clinical Trial" means (a) a Phase 3 Clinical Trial, or (b) any other human clinical trial that the applicable Regulatory Authority has agreed, whether before first dosing of the first patient in such trial (e.g., pursuant to an agreement with or statement from the FDA or the EMA on a 'Special Protocol Assessment' or equivalent or other guidance or minutes issued by the FDA or EMA) or after first dosing of the first patient in such trial (e.g., based on an interim data analysis), is sufficient to form the primary

basis of an efficacy claim in a BLA submission or supplemental BLA submission, regardless of whether the sponsor of such trial characterizes or refers to such trial as a "Phase 3," "Phase 2b" or "Phase 2b/3" trial (or otherwise) in the applicable protocol, on clinicaltrials.gov, or in any other context. If a Clinical Trial does not constitute a Pivotal Clinical Trial at the time of dosing of the first subject in such Clinical Trial, but is later determined by the applicable Regulatory Authority to be sufficient to form the primary basis of an efficacy claim in a BLA submission, then, for purposes of this Agreement, "dosing of first subject" in such Clinical Trial shall be deemed to have occurred on the date of such determination by the applicable Regulatory Authority.

"Prepayment Amounts" means the ProBioGen Prepayment Amount and the Medpace Prepayment Amount.

"ProBioGen Prepayment Amount" means a cash amount equal to [***] paid by Seller to ProBioGen AG in connection with [***].

"Proceeding" means any civil, criminal, judicial, administrative or arbitral actions, suits, hearings, litigation, proceedings (public or private), claims, investigations by or before a Governmental Authority, arbitrator, mediator or expert.

"Product" means any biopharmaceutical product that incorporates or comprises Budoprutug, in any form, formulation or route of administration, and for use in any Indication, including any Combination Product, the manufacture, use, offer for sale, sale, or importation of which would, but for the Royalty-Bearing Patents, infringe a Valid Claim. Each formulation or dosage form, but not dosage amounts within that formulation or dosage form, shall be considered a separate Product.

"Product Intellectual Property" means the Intellectual Property Controlled by Seller that is necessary for, or specifically relates to, the development, manufacture, use, commercialization or other exploitation of the Product. All Product Intellectual Property existing as of the Closing Date is listed on Schedule 5.13(a) of the Seller Schedules.

"Public Offering" has the meaning set forth in Section 3.6(a).

"Purchase Price" has the meaning set forth in Section 3.1(a)(iv).

"Records" has the meaning set forth in Section 2.2(a)(ii).

"Referee" has the meaning set forth in Section 3.6(b).

"Registered Intellectual Property" has the meaning set forth in Section 5.13(a).

"Regulatory Approval" means with respect to Product in the applicable regulatory jurisdiction, all permits, licenses, certificates, approvals, clearances, or other authorizations of or recognized by the applicable Regulatory Authority necessary to conduct Clinical Trials of, commercially manufacture, distribute, market, sell and/or use such Product in such regulatory jurisdiction in accordance with applicable Law (including NDAs, INDs, 510(k)s, 505(b)(2)s or their foreign equivalents, including where required for commercial sale, pricing and reimbursement approvals, pre- and post-approval marketing authorizations, labeling approvals and all supplements and amendments thereto).

"Regulatory Authority" means any applicable supranational, federal, foreign, national, regional, state, provincial, local or municipal regulatory agencies, departments, bureaus, commissions, councils or other Governmental Authority (including the FDA) and EMA regulating or otherwise exercising authority over the testing, development, manufacture, use, storage, import, transport, promotion, marketing, distribution, offer for sale, sale, or other commercialization of pharmaceutical products in a given jurisdiction, having regulatory jurisdiction over the manufacture, distribution, and sale of pharmaceutical products in the Territory, and any Governmental Authority whose review or approval of pricing or reimbursement of such product is required.

"Regulatory Exclusivity" means, with respect to any country or other jurisdiction in the Territory, any market protection, exclusive marketing rights or data exclusivity rights, other than Patent protection, conferred by any Regulatory Authority in such country or other jurisdiction with respect to a Product that prevents (a) such Regulatory Authority from granting any Regulatory Approval of a Third Party product in such country or other jurisdiction that is the same as or substantially identical to the amino acid sequence of such biologic product, or (b) any Third Party from making a cross reference to data regarding such Product held by such Regulatory Authority, including orphan drug exclusivity, new chemical entity exclusivity, new use or Indication exclusivity, new formulation exclusivity, data exclusivity, pediatric exclusivity, rights conferred in the United States under Section 351 of the Public Health Service Act, 42 U.S.C. §262, as amended, or the Drug Price Competition and Patent Term Restoration Act (21 U.S.C. §355), as amended, or in the European Union under Directive 2001/83/EC, as amended, and Regulation (EC) No. 1901/2006, as amended, or rights similar thereto in other countries or regulatory jurisdictions.

"Releasee" has the meaning set forth in Section 9.16.

"Releasor" has the meaning set forth in Section 9.16.

"Representatives" means the directors, officers, employees, agents, or advisors (including attorneys, accountants, investment bankers, financial advisers and other consultants and advisors) of the specified Party hereto.

"Repurchase Price" has the meaning set forth in Section 3.6(b).

"Restricted Individual" has the meaning set forth in Section 7.6(a).

"Restricted Period" has the meaning set forth in Section 7.6(a).

"ROFN Notice" has the meaning set forth in Section 3.6(a).

"ROFN Period" has the meaning set forth in Section 3.6(a).

"ROFN Transaction" has the meaning set forth in Section 3.6(a).

"Royalty-Bearing Patent" means (a) [***] and (b) [***]

"Royalty Payments" means the payments Buyer is required to make to Seller pursuant to Section 3.3.

"Royalty Report" has the meaning set forth in Section 3.7.

"Royalty Term" has the meaning set forth in Section 3.3(b).

[***] means [***]

[***] means [***]

"Second Indication Phase 2 Initiation" means the first dosing of the first patient with a Product in a Phase 2 Clinical Trial with respect to the second Indication, regardless of where such clinical trial is conducted.

"Second Indication Pivotal Clinical Trial Initiation" means the first dosing of the first patient with a Product in a Pivotal Clinical Trial with respect to the second Indication, regardless of where such clinical trial is conducted.

[***] means [***]

"Seller" has the meaning set forth in the preamble.

"Seller Dispute Notice" has the meaning set forth in Section 3.6(b).

"Seller Indemnified Parties" has the meaning set forth in Section 8.3.

"Seller Schedules" means, collectively, the disclosure schedules, dated as of the date hereof, delivered by Seller to Buyer, as supplemented or amended in accordance with this Agreement, which forms a part of this Agreement.

"Seller Taxes" means (i) any Liability of Seller for Taxes (including any Liability of Seller for the unpaid Taxes of any other Person as a transferee or successor, by Contract, or otherwise and including, for avoidance of doubt, any Taxes in respect of any prepaid amount received by Seller prior to the Closing) and (ii) any Taxes arising as a result of the operation of the Business or the ownership, lease or operation of the Transferred Assets before the Closing, including Taxes allocated to the portion of a Straddle Period ending on (and including) the Closing Date, as determined under Section 7.4(c)(ii) but excluding, for the avoidance of doubt, any Transfer Taxes.

"Senior Executives" means, with respect to Seller, the [***] and with respect to Buyer, the [***].

"Specified CRE Breach" has the meaning set forth in Section 3.6(a).

"Straddle Period" means, in respect of any property or similar *ad valorem* Taxes, any taxable period beginning on or before the Closing Date and ending after the Closing Date.

"Sublicense" means the entry by Buyer into any agreement with a Third Party, pursuant to which Buyer (or any Affiliate) grants to a Third Party (including any Triggering Sublicensee) a license or other rights (including any option to license or sublicense) under the Intellectual Property included in the Transferred Assets to develop, manufacture or commercialize Products; provided that a Sublicense shall exclude any such agreement entered into by Buyer or its Affiliates with a Third Party subcontractor that is solely performing services for or on behalf of Buyer or its Affiliates in connection with Buyer's exploitation of Products.

"Sublicense Income" means [***] received by Buyer or its Affiliates as consideration for the grant of a Sublicense, and excluding any amounts paid to Buyer or its Affiliates by such Third Party as:

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

(v) [***]

(vi) [***]

No other deductions or reductions will be permitted. Sublicense Income shall not be calculated on amounts received under sublicenses granted to an Affiliate of Buyer where such Affiliate is conducting research, development, manufacture or commercialization of Product solely for or on behalf of, or instead of, the Buyer (or its shareholders), provided that any further sublicenses granted by such Affiliate to any Third Party (the "Triggering Sublicensee") shall be subject to the requirement that such Affiliate pay Sublicense Income to Seller under Section 3.4, as though Seller had entered directly into such sublicense with such Triggering Sublicensee.

"Tax(es)" means all U.S. federal, state, and local and non-U.S. taxes, assessments, and other governmental charges, duties, impositions, and liabilities of any kind whatsoever in the nature of taxes, including income, gross receipts, profits, franchise, license, registration, capital stock, sales, use, value added, ad valorem, property, transfer, stamp, payroll, employment, occupation, severance, unemployment, social security, excise, recapture, premium, alternative, estimated, customs, and withholding taxes, together with all interest, penalties, and additions with respect thereto.

"Tax Contest" means any Tax audit, claim, dispute, examination, investigation, or other Proceeding in respect of Tax matters.

"Tax Return" means any report, return, election, notice, estimate, declaration, information statement, claim for refund, and other forms and documents (including all schedules, exhibits and other attachments thereto and including all amendments thereof) relating to Taxes or filed or required to be filed with any Governmental Authority.

"Territory" means worldwide.

[***] means [***]

"Third Party" means any Person, other than the Parties and their Affiliates.

"Third Party Claim" has the meaning set forth in Section 8.5(a).

"Third Party Consents" has the meaning set forth in Section 4.2(g).

"Transaction Agreements" means this Agreement and the Ancillary Agreements.

"Transaction Dispute" has the meaning set forth in Section 9.11(a).

"Transfer Taxes" has the meaning set forth in Section 7.4(b).

"Transferred Assets" has the meaning set forth in Section 2.2(a).

"Transferred Contracts" has the meaning set forth in Section 2.2(a)(i).

"Transferred Records" has the meaning set forth in Section 2.2(a)(ii).

"Transferred Regulatory Documentation" has the meaning set forth in Section 2.2(a)(v).

"Transition Services Agreement" means a Transition Services Agreement, in the form attached hereto as Exhibit C and executed concurrently with the execution and delivery of this Agreement.

"Treasury Regulations" means the regulations promulgated under the Code.

"U.S." means the United States of America.

"U.S. GAAP" means U. S. Generally Accepted Accounting Principles.

"Valid Claim" means (a) a claim of any issued and unexpired Royalty-Bearing Patent (but not a patent application, which is addressed in subpart (b)) whose validity, enforceability, or patentability has not been affected by any of the following: (i) irretrievable lapse, abandonment, revocation, dedication to the public, or disclaimer; or (ii) a holding, finding, or decision of invalidity, unenforceability, or non-patentability by a court, Governmental Authority, national or regional patent office, or other appropriate body that has competent jurisdiction, such holding, finding, or decision being final and unappealable or unappealed within the time allowed for appeal; or (b) a claim of a pending patent application included within the Royalty-Bearing Patents that was filed and is being prosecuted in good faith and has not been abandoned, finally rejected, or finally disallowed without the possibility of appeal or refiling of the application; provided that such pending application has not been pending for more than five (5) years after the filing date for such application.

"WH2" has the meaning set forth in the preamble.

"Willful Breach" means a breach that is a consequence of an act or omission knowingly undertaken or omitted by the breaching Party with the intent of causing a breach of this Agreement.

"Withholding Agent" has the meaning set forth in Section 3.5.

ARTICLE II

SALE AND PURCHASE OF TRANSFERRED ASSETS

Section 2.1. Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement and subject to Section 2.4, at the Closing, Seller and its Affiliates shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller and its Affiliates all right, title and interest of Seller and its Affiliates in, to and under the Transferred Assets, free and clear of all Encumbrances, other than Permitted Encumbrances.

Section 2.2. Transferred Assets; Excluded Assets.

(a) The term "Transferred Assets" means only the following assets of Seller and its Affiliates, but in any event excluding the Excluded Assets:

(i) the Contracts listed in Schedule 2.2(a)(i) of the Seller Schedules, which are solely used or held for use in the conduct of the Business (the "Transferred Contracts");

(ii) copies of books and records, including manufacturing and analytical Know-How, methods and records utilized by Seller and its Affiliates in the development and manufacture of Budoprutug or otherwise utilized in the Business, data, specifications, batch records, and life cycle management data, and scientific records and files (including laboratory notebooks and invention disclosures) (collectively, "Records"), in each case, solely and specifically related to the Business other than any Excluded Assets (collectively, the "Transferred Records");

(iii) copies of material Tax Returns and other Tax books and records, workpapers, and correspondences to the extent related solely to the Business or the Transferred Assets (excluding, for the avoidance of doubt, Parent's income Tax Returns and any other Tax books and records not solely related to the Business or the Transferred Assets);

(iv) all rights to causes of action, lawsuits, judgments, claims, counterclaims, rights of recovery and demands exclusively related to the Business or Budoprutug (other than rights to refunds for Taxes);

(v) all (A) applications, submissions, registrations, or notifications submitted to a Regulatory Authority for the purpose of obtaining, updating or maintaining any Regulatory Approval, in each case including any investigational medicinal product dossier solely and specifically relating to the Business, including Budoprutug, (B) correspondence with or to Regulatory Authorities (including Regulatory Approval letters, and official contact reports with any Regulatory Authorities prior to obtaining any such Regulatory Approvals) solely and specifically related to the assets described in clause (A) above, (C) records contained in the pharmacovigilance and study databases, all adverse drug experience or reaction reports, and investigations of adverse drug experience or reaction reports, in each case, solely and specifically related to the Business, including Budoprutug, (D) clinical and non-clinical files, studies, reports and other documents or data, including all Clinical Trial applications and foreign equivalents, contained or referenced in or supporting any of the assets described in clause (A) above, in each case, that were acquired, developed, compiled, collected or generated by Seller or by any Third Party on behalf of Seller, in each case, that are solely and specifically related to the Business, including Budoprutug, (E) all Regulatory Approvals for the Business, including Budoprutug, and (F) all regulatory or legal rights in any of (A)-(E) (the "Transferred Regulatory Documentation");

(vi) all Permits used or held for use solely and specifically for the conduct of the Business, to the extent transferable;

(vii) the Owned Product Intellectual Property set forth on Schedule 2.2(a)(vii) of the Seller Schedules (the "Owned Intellectual Property"), which includes Intellectual Property rights in both the Transferred Records and the Transferred Regulatory Documentation;

(viii) the tangible assets of Seller that solely and specifically relate to the Business, including any materials, assays or manufacturing runs, and that are set forth on Schedule 2.2(a)(viii) of the Seller Schedules, but in any event excluding any personal property or equipment described in Section 2.2(b)(i);

(ix) all Non-Transferable Assets that are subsequently assigned or transferred pursuant to Section 2.4; and

(x) all goodwill associated with any of the assets described in the foregoing clauses (i) – (ix).

(b) Notwithstanding anything to the contrary set forth in Section 2.2(a), the "Transferred Assets" shall not include the following assets, rights or interests of Seller or any of its Affiliates (collectively, the "Excluded Assets"):

(i) all personal property or personal productivity equipment (including laptops, personal computers, tablets, printers and mobile devices) used by any employees of Seller in the conduct of the Business;

(ii) Records that are not solely and specifically related to the Business, including: (A) personnel records, (B) Records to the extent relating to any Excluded Liability, (C) Records (including accounting Records and Tax Returns) to the extent relating to Taxes paid or payable by Seller or its Affiliates and not solely related to the Business or the Transferred Assets and all financial Records relating to the conduct of the Business that form part of Seller's general ledger or otherwise constitute accounting Records, (D) file copies of the Records retained by Seller, (E) personnel notes, and (F) all privileged materials not transferred to Buyer;

(iii) all cash and cash equivalents;

(iv) all rights of Seller or its Affiliates to any refunds under any Transferred Contract arising prior to the Closing;

(v) all rights of Seller or its Affiliates under this Agreement and the other Transaction Agreements;

(vi) all insurance policies and binders and all claims, refunds and credits from insurance policies or binders due or to become due with respect to such policies or binders;

(vii) all electronic email except such email that is encompassed in Transferred Records or Transferred Regulatory Documentation;

(viii) all Contracts other than the Transferred Contracts ("Excluded Contracts");

(ix) all records and reports prepared or received by Seller or its Affiliates in connection with the sale of the Business or the transactions contemplated hereby, including (A) all analyses relating to the Business or Buyer so prepared or received; (B) all confidentiality agreements with prospective purchasers of the Business or any portion thereof, and (C) all bids and expressions of interest received from Third Parties with respect to the Business;

(x) Non-Transferable Assets, subject to Section 2.4;

(xi) any claims for Tax refunds, Tax credits, and all Tax attributes of Seller or its Affiliates; and

(xii) all computer hardware and networks owned by Seller or its Affiliates.

Section 2.3. Assumption of Certain Liabilities and Obligations.

(a) On the terms and subject to the conditions set forth in this Agreement and subject to Section 2.4, effective as of the Closing, Buyer shall assume, become responsible for, and thereafter timely pay, perform and otherwise discharge, in accordance with their respective terms, only the following Liabilities, and in each case, no other Liabilities (collectively, the "Assumed Liabilities"):

(i) all Liabilities, other than Seller Taxes and the Liabilities set forth on Schedule 5.16 of the Seller Schedules, arising from any Governmental Authority action or notification filed by a Governmental Authority related to or arising out of the Business, whether initiated before or after the Closing;

(ii) all Liabilities arising under the Transferred Contracts (including all Liabilities relating to a material breach of or default under any Transferred Contract by Seller) prior to the Closing Date, whether they arise or are to be performed or completed before or after the Closing, but excluding the Liabilities set forth on Schedule 5.16 of the Seller Schedules; and

(iii) all other Liabilities solely to the extent relating to Buyer's conduct of the Business or Buyer's ownership, lease or operation of the Transferred Assets after the Closing.

(b) Except to the extent expressly included in the Assumed Liabilities, Buyer will not assume or be responsible or liable for any Liabilities of Seller, including the following (collectively, the "Excluded Liabilities"), and the Excluded Liabilities shall remain the sole responsibility of and be retained, paid, performed and discharged solely by Seller:

(i) [***]

(ii) [***]

(iii) [***]

(iv) [***]

(v) [***]

(vi) [***]

(vii) [***]

Section 2.4. Assignment of Certain Transferred Assets. Notwithstanding the foregoing, this Agreement shall not constitute an agreement for Seller to sell, convey, assign, transfer or deliver to Buyer any Transferred Asset or any claim or right or any benefit arising thereunder or resulting therefrom or for Buyer to purchase, acquire, or receive any Transferred Asset or to enter into or fulfil its obligations under the Transaction Agreements if an attempted sale, conveyance, assignment, transfer or delivery thereof, or an agreement to do any of the foregoing, without the consent, authorization or approval of a Third Party (including any Governmental Authority), would constitute a breach or other contravention thereof or a violation of Law (each, a "Non-Transferable Asset"); provided, however, that for [***] after the Closing, Seller and Buyer shall use all commercially reasonable efforts and cooperate with each other to obtain any such consent, authorization or approval (following Seller's receipt of any such consent, authorization or approval, Seller shall promptly assign or transfer to Buyer the Non-Transferable Asset, and such asset shall thereafter be deemed a "Transferred Asset" for purposes of this Agreement). At the request of Buyer, Seller, to the fullest extent permitted by applicable Law, shall enter into such pass-through agreements or arrangements with Buyer regarding any Non-Transferable Asset for which such consent, authorization or approval has not been obtained as may be necessary to afford Buyer or any Affiliate of Buyer with the benefits of such Non-Transferable Asset as if Buyer or any such Affiliate were the contract party thereto or the assignee thereof. Schedule 2.4 of the Seller Schedules sets forth a list of the Non-Transferable Assets known to Seller as of the date hereof.

Section 2.5. Delivery. On or promptly following the Closing, Seller shall deliver, or cause to be delivered, to Buyer, as applicable, all of the Transferred Assets (other than any Non-Transferable Assets), which shall be delivered to Buyer in the form and to the location mutually agreed between Buyer and Seller on the Closing Date at Buyer's sole cost and expense.

ARTICLE III

PURCHASE PRICE

Section 3.1. Purchase Price.

(a) In consideration for the Transferred Assets, Buyer shall pay to Seller:

(i) at Closing, a cash amount equal to Seven Million Two Hundred Sixty Four Thousand Eight Hundred Seventy Seven Dollars ($7,264,877) (the "Closing Payment"), which Closing Payment includes the Prepayment Amounts; *plus*

(ii) the Milestone Payments as further described below; *plus*

(iii) the Sublicense Income payments as further described below; *plus*

(iv) the Royalty Payments as further described below (such sum of ((a)-(d)), the "Purchase Price").

(b) If Seller receives any portion of any Prepayment Amount after the Closing Date from ProBioGen AG, Medpace, Inc. or its successors or assigns, as applicable, Seller shall, [***] of Seller's receipt thereof, pay any such amount to Buyer by wire transfer of immediately available funds to an account designated by Buyer in writing. Seller and Buyer agree to treat any such payment by Seller to Buyer as an adjustment to the Purchase Price for U.S. federal, state and local and non-U.S. income Tax purposes, except to the extent otherwise required by applicable Law.

(c) Seller shall deliver to Buyer a copy of the final reconciliation from Medpace, Inc. with respect to the cash amount paid by Seller to Medpace, Inc. in connection with the Medpace MSA within [***] of the receipt thereof. If the amount set forth in such final reconciliation is greater than the Medpace Prepayment Amount, Buyer shall pay such excess to Seller by wire transfer of immediately available funds to an account designated by Seller in writing [***] of receipt of such final reconciliation. If the amount set forth in such final statement is less than the Medpace Prepayment Amount, Seller shall pay such excess to Buyer pursuant to the procedures set forth in Section 3.1(b).

Section 3.2. Milestone Payments.

(a) Development Milestones. Buyer shall pay by wire transfer of immediately available funds to an account or accounts designated in advance by Seller (which payments shall not be creditable against any other obligations of Buyer hereunder) the one-time, non-refundable payment (each such payment, a "Development Milestone Payment") for each of the milestone events set forth in this Section 3.2(a) upon the first achievement of the applicable milestone (each, a "Development Milestone"), whether the Development Milestone is achieved by Buyer or any other Milestone Party, or any Third Party acting on behalf of Buyer or the Milestone Parties. The Development Milestone Payments are set forth below:

(i) Upon achievement of [***];

(ii) Upon achievement of [***];

(iii) Upon achievement of [***];

(iv) Upon achievement of [***];

(v) Upon achievement of [***];

(vi) Upon achievement of [***];

(vii) Upon achievement of [***]; and

(viii) Upon achievement of [***].

Buyer shall provide Seller with written notice within [***] after the achievement of the corresponding Development Milestone and the corresponding Development Milestone Payment shall be made by Buyer to Seller within [***] after the achievement of the corresponding Development Milestone. [***] For clarity, (x) the Development Milestones set forth in subclauses (ii), (iv), (vi) and (viii)] for [***] and (y) if a Development Milestone Payment set forth in this Section 3.2(a) for a Product becomes due before an earlier listed Development Milestone Payment for such Product, then the earlier listed Development Milestone Payment shall become payable upon the achievement of the later listed Development Milestone. The maximum aggregate Development Milestone Payments owed to Seller, if all possible Development Milestones are achieved, is [***]

(b) Commercial Milestones. Buyer shall pay by wire transfer of immediately available funds to an account or accounts designated in advance by Seller the one-time, non-creditable, non-refundable milestone payment (each, a "Commercial Milestone Payment," and together with the Development Milestone Payments, the "Milestone Payments") for each of the milestone events set forth in this Section 3.2(b) upon the first achievement of the applicable milestone regardless of the number of times such event is achieved (each, a "Commercial Milestone," and together with the Development Milestones, the "Milestones"), whether the Commercial Milestone is achieved by Buyer or the Milestone Parties, or any Third Party acting on behalf of Buyer or the Milestone Parties. Payment for each of the Commercial Milestones shall be made only once, with respect to cumulative aggregate worldwide Net Sales of all Products. The Commercial Milestone Payments are set forth below:

(i) Upon achievement of [***];

(ii) Upon achievement of [***];

(iii) Upon achievement of [***];

(iv) Upon achievement of the [***]; and

(v) Upon achievement of the [***].

Buyer shall provide Seller with written notice [***] after the achievement of the Commercial Milestones in subclauses (i) and (ii), and with its Royalty Report (and estimated report described in Section 3.7(a) below) for the Calendar Quarter in which each of the Commercial Milestones in subclause [***] is achieved. The corresponding Commercial Milestone Payment shall be made by Buyer to Seller (x) within [***] days after the achievement of each Commercial Milestone in subclause (i) and (ii), and (y) with Buyer's payment of royalties for the applicable Calendar Quarter for each of the Commercial Milestones in subclauses (iii) through (v).

Section 3.3. Royalty Payments.

(a) Subject to this Section 3.3, commencing upon the First Commercial Sale of a Product in the Territory, on a Product-by-Product basis, Buyer shall pay to Seller during the Royalty Term, a non-refundable royalty of [***] on annual, worldwide Net Sales of each Product in the Territory (excluding Net Sales of each Product in any country or other jurisdiction in the Territory for which the Royalty Term for such Product in such country or other jurisdiction has expired) during each Calendar Year.

(b) Buyer's obligation to pay royalties pursuant to this Section 3.3 shall commence, on a country-by-country and Product-by-Product basis, on the First Commercial Sale of such Product in such country and end upon the latest to occur of (i) [***] years from the First Commercial Sale of such Product in such country, (ii) the expiration of the last-to-expire Royalty-Bearing Patent with a Valid Claim covering such Product in such country and (iii) expiration of any Regulatory Exclusivity for such Product in such country ("Royalty Term").

(c) Notwithstanding Section 3.3(a), if, in any country or other jurisdiction in the Territory during the Royalty Term and on a Product-by-Product and country-by-country basis, at the time of sale of a Product, the Product (i) is not covered by a Valid Claim of a Royalty-Bearing Patent in such country or other jurisdiction, and (ii) is not covered by Regulatory Exclusivity in such country or other jurisdiction, then the applicable royalty rate for royalties payable by Buyer to Seller in such country or other jurisdiction shall be reduced by [***]. For clarity, there shall be no reduction of the applicable royalty rate during any Royalty Term upon expiration of all Valid Claims of Royalty-Bearing Patents in such county or jurisdiction as long as the applicable Product continues to be covered by Regulatory Exclusivity in such jurisdiction, provided that if, in any such country or other jurisdiction in the Territory, applicable Law (including jurisprudence and judicial precedent, e.g., patent misuse theory in the United States) requires royalties to be reduced upon expiration of licensed patents in such country, then solely in such country or other jurisdiction, the applicable royalty rate for royalties payable by Buyer to Seller shall be reduced by [***] as long as Regulatory Exclusivity remains in force, and upon the expiration of Regulatory Exclusivity, by [***] for the remainder of the Royalty Term.

(d) Notwithstanding Section 3.3(a), on a Product-by-Product and country-by-country basis during the Royalty Term for such Product, if there is Biosimilar Competition for such Product in such country, the royalty rate provided in Section 3.3(a) for such Product shall be reduced in such country by [***] commencing the Calendar Quarter in which such Biosimilar Competition first exists in such country and for the remainder of such Royalty Term.

(e) Notwithstanding the foregoing Sections 3.3(c), and (d), with respect to any Product in any Calendar Quarter during the Royalty Term for such Product, the operation of Sections 3.3(c) and (d) above, individually or in combination, shall not reduce by more than [***] the amount that would otherwise have been due under Section 3.3(a) with respect to Net Sales of such Product during such Calendar Quarter [***]; provided that Buyer may carry forward to up to [***] subsequent Calendar Quarters any amounts that it was not able to credit under Section 3.3(e) on account of such royalty floor.

Section 3.4. Sublicense Income.

(a) Buyer will pay to Seller non-refundable and non-creditable Sublicense Income at the rates set forth in the table below, based on stage of development of the most advanced Product at the time of entry by Seller or its Affiliates into the applicable Sublicense:

Date of execution of applicable Sublicense	***Percentage of Sublicensing Income:***
[***]	[***]
[***]	[***]
[***]	[***]

(b) Buyer will notify Seller within [***] following the entry into a Sublicense. Upon Seller's request, Buyer shall provide Seller with a copy the financial terms contained in any Sublicense, which may be redacted within those terms to remove any commercially sensitive information not necessary for Seller to confirm Buyer's compliance with the terms of this Agreement, or the amount of Sublicense Income payable to Buyer hereunder. Buyer shall pay all Sublicense Income to Buyer [***] following Buyer's receipt of any payments on which Sublicense Income is payable hereunder from the applicable Third Party sublicensee (or its Affiliate with respect to any Triggering Sublicensee).

Section 3.5. Withholding. Any and all payments by Buyer or any Affiliate or agent of Buyer on account of Buyer (each, a "Withholding Agent") to Seller or any other recipient pursuant to this Agreement shall be made without deduction or withholding for any Taxes, except as required by applicable Law. If any applicable Law requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding, shall timely remit the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable Law and any amount so deducted or withheld shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which the deduction or withholding was made (other than for purposes of calculating additional amounts payable pursuant to the following sentence). If the Withholding Agent's obligation to withhold Taxes on a payment results from a Withholding Action and such withholding Taxes would not have been imposed in the absence of such Withholding Action, then the sum payable by Buyer shall be increased to the extent necessary to ensure that Seller receives a sum equal to the sum which it would have received had no such Withholding Action occurred. A "Withholding Action" means any of the following actions taken by Buyer (or any assignee or successor thereof) after the date hereof: (x) an assignment or sublicense of Buyer's (or its assignee's or successor's) rights or obligations under this Agreement (in whole or in part) to an assignee or sublicensee outside the United States; (y) the exercise by Buyer (or its assignee or successor) of its rights or obligations under this Agreement (in whole or in part) through an Affiliate or Third Party outside of the United States (or the direct exercise of such rights by an Affiliate of Buyer outside of the United States); and (z) a redomiciliation of Buyer (or its assignee or successor) outside of the United States.

Section 3.6. Right of First Negotiation.

(a) If, during the period between the Closing Date and the date that is [***] (the "ROFN Period"), Buyer or any Affiliate receives a bona fide offer or proposal from a Third Party to (A) sell, transfer or otherwise divest all or substantially all of the rights to the Transferred Assets or the Products, or (B) grant an exclusive license or exclusive sublicense to a Third Party to develop and commercialize Products (other than with respect to development and commercialization activities conducted for or on behalf of Buyer or its Affiliates), where such exclusive license or sublicense grants rights to such Third Party in the United States, to all of Europe, or on a worldwide basis (any such transaction, a "ROFN Transaction"), then prior to entering into any discussions or negotiations with any Third Party in relation to a ROFN

Transaction, Buyer shall provide written notice to Seller of such intent or receipt of proposal (a "ROFN Notice"). The ROFN Notice shall include [***] Seller shall have [***] in which to notify Buyer in writing whether it wishes to negotiate the terms of the ROFN Transaction, and following such notice to Buyer, the Parties will negotiate in good faith for a period of [***] (the "Negotiation Period") to seek to agree upon the terms of a definitive agreement with respect to such sale, transfer or license of the rights in the Products to Seller (or an Affiliate of Seller). Notwithstanding the foregoing, Buyer will not unreasonably withhold consent to a request by Seller of an extension to the Negotiation Period of up to [***], if at the time of such request the Parties have been, and are continuing to, negotiate in good faith the terms of the definitive agreement. If Buyer and Seller are unable to agree upon the terms of a ROFN Transaction within the Negotiation Period, or if Seller does not notify Buyer that it wishes to negotiate the terms of the ROFN Transaction within the aforementioned [***] period, then (i) Buyer shall have the right to negotiate and enter into an agreement for a ROFN Transaction with a Third Party, provided that the terms of any such Third Party agreement shall be no more favorable, in the aggregate, than those last offered to Seller, (ii) if Buyer does not enter into a ROFN Transaction with a Third Party within [***] following the expiration of the Negotiation Period, then this Section 3.6 shall apply again, *mutatis mutandis*, provided that this subclause (ii) shall not apply following a Public Offering (as defined below). In addition, following the closing date of a Public Offering, the foregoing proviso requiring the terms of any agreement with a Third Party to be no more favorable than those offered to Buyer shall no longer apply. Further, following the closing date of a Public Offering, this Section 3.6(a) shall not apply in the event Buyer or any Affiliate receives a bona fide offer or proposal from a Third Party to sell, transfer, or otherwise divest, directly or indirectly, of more than 50% of the voting equity interests of Buyer or any Affiliate (whether by sale of equity, merger, consolidation, or reorganization (other than a reorganization for internal corporate restructuring)) to such Third Party. If Buyer enters into such a ROFN Transaction with a Third Party, then Buyer shall provide Seller within [***] following the entry into such ROFN Transaction with [***]. For the purposes of this Section 3.6, a "Public Offering" shall mean any transaction in which Buyer becomes a public company in any manner (i.e., pursuant to a reverse merger, through a special purchase acquisition vehicle or direct listing, or pursuant to an underwritten public offering pursuant to a registration statement filed in accordance with the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time).

(b) Without limiting Seller's rights under Section 3.6(a), if at any time following the Closing and until [***], Seller reasonably believes that Buyer has materially breached its obligations under Section 3.9 to use Commercially Reasonable Efforts to develop and commercialize at least one Product within the United States and achieve the CRE Milestones (a "Specified CRE Breach"), Seller may deliver to Buyer a written notice, setting forth [***], and Seller's desire to purchase back from Buyer all rights in the Transferred Assets (the "Seller Dispute Notice"). If a Seller Dispute Notice is delivered to Buyer, Buyer and Seller will negotiate in good faith to resolve such dispute, or the terms of any such buyback, if applicable for a period of [***] following delivery of a Seller Dispute Notice. If Buyer and Seller, notwithstanding such good faith efforts, fail to resolve the dispute set forth in the Seller Dispute Notice, or to negotiate the terms of a buyback of the Transferred Assets during such [***] period, and/or Buyer disputes that there has been a Specified CRE Breach, or does not wish to sell the Transferred Assets back to Seller, then the determination of whether or not there has been a Specified CRE Breach shall be subject to final resolution in accordance with Section 9.11. If, as a result of such dispute resolution process, Buyer is determined to have committed a Specified CRE Breach, then Seller may elect, in lieu of a claim for damages arising from such Specified CRE Breach, and as its sole and exclusive remedy, to re-purchase the Transferred Assets from Buyer at the then-fair market value of such Transferred Assets (as adjusted as set forth below). The Parties shall negotiate in good faith for a period of [***] to agree upon a price for the repurchase of the Transferred Assets (which for clarity shall also include all of Buyer's rights in any clinical data, Know-How, regulatory and other materials, inventory and Intellectual Property Controlled by Buyer and relating to Budoprutug) (the "Repurchase Price"). If the Parties are unable to agree upon the Repurchase Price within such [***] period (or such longer period as the Parties may agree in writing), then in order to determine the Repurchase

Price, Buyer and Seller will jointly engage an independent (as to both Buyer and Seller) mutually agreed upon Third Party valuation expert [***] (the "Referee") to determine the Repurchase Price, which shall take into account, in addition to the fair market value of the Transferred Assets and any additional Buyer data and materials, the nature and extent of the Specified CRE Breach and any loss of time and diminution of value of the Transferred Assets and Budoprutug as a result thereof, the contributions made by Buyer to the development of Budoprutug, and the costs incurred by Seller in connection with the final resolution of the dispute regarding the Specified CRE Breach. [***]. Each Party shall submit to the Referee, within [***] following his or her appointment, its written proposal [***] for the appropriate Repurchase Price, including the basis on which such Party has determined the applicable Repurchase Price. The Referee will have no authority to award punitive or any other damages. If a Party fails to submit a proposal for the Repurchase Price in a timely fashion, then the Repurchase Price shall be determined to be that submitted by the Party that did deliver a timely proposal. The Referee shall use his or her best efforts to make a final determination within [***] following receipt of the Parties' submissions. The Referee shall have no power or authority to determine any Repurchase Price other than that submitted by either Buyer or Seller, and the amount of the Repurchase Price as finally determined by the Referee will be final, conclusive and binding on the Parties, absent manifest error.

Section 3.7. Reports and Information Rights; Payments.

(a) Buyer shall calculate all amounts payable to Seller pursuant to Section 3.2(b) and Section 3.3 at the end of each Calendar Quarter, which amounts shall be converted to Dollars, in accordance with Section 3.7(b). Following First Commercial Sale of a Product, within [***] after the end of such Calendar Quarter, Buyer shall provide Seller with a report (the "Royalty Report") (and first provide an estimated report within [***] after the end of such Calendar Quarter) which in each case shall state, on a Product-by-Product and country-by-country or jurisdiction-by-jurisdiction basis: (i) the amount of gross sales of each Product during the applicable Calendar Quarter; (ii) Net Sales of each Product during the applicable Calendar Quarter (expressed in local currency and converted to Dollars); (iii) a summary of the deductions taken in arriving at the Net Sales calculation, (iv) a calculation of the amount of Royalty Payment due to Seller on such Net Sales for such Calendar Quarter, including the amount of any royalty reductions pursuant to Sections 3.3(c), (d) and (e); (v) the aggregate Net Sales of each Product in the Territory during the applicable Calendar Year; and (vi) whether any Commercial Milestone under Section 3.2(b) has been achieved. Buyer shall pay to Seller the royalty amounts due with respect to such Calendar Quarter (as well as any Commercial Milestone Payments that have been achieved in the applicable Calendar Quarter) [***]. For clarity, Buyer shall not owe royalties on sales of a Product in a country or jurisdiction after the expiration of the Royalty Term for such Product in such country or jurisdiction.

(b) All payments made by Buyer under this Agreement shall be made by deposit of Dollars in the requisite amount to such bank account as Seller may from time to time designate by written notice to Buyer. For the purpose of calculating any sums due under, or otherwise reimbursable pursuant to, this Agreement (including the calculation of Net Sales expressed in currencies other than Dollars), Buyer shall convert any amount expressed in a foreign currency into Dollar equivalents using its, its Affiliate's or sublicensee's standard conversion methodology consistent with the applicable Accounting Standards.

(c) Buyer shall keep, and shall cause its Affiliates and sublicensees to keep, books and records pertaining to the to the sale or other disposition of Products in sufficient detail to permit Seller to confirm the accuracy of any Milestone Payments or Royalty Payment due hereunder. Buyer will keep such books and records for [***] following the Calendar Year to which they pertain, or such longer period of time as may be required by applicable Laws. During the period in which such books and records must be maintained, Buyer shall make, and shall cause its Affiliates and sublicensees to make, such books and records available for inspection by Seller and its Representatives or, if applicable, the Accounting Firm acting pursuant to Section 3.8, during regular business hours at such place or places where such records are customarily kept, upon receipt of reasonable advance notice from Seller.

Section 3.8. Audit Rights.

(a) At any time during the period in which such books and records must be maintained, upon the written request of Seller, and upon reasonable advance written notice, Buyer shall, and shall cause its Affiliates and sublicensees to, up to [***] per Calendar Year, provide the Accounting Firm with access during normal business hours to such of the records of Buyer and its Affiliates and sublicensees as may be necessary to verify whether any of the Milestones have been achieved, including confirming the accuracy of any Milestone Payments or Royalty Payment due hereunder and the accuracy of the statements set forth in the Royalty Reports and the figures underlying the calculations set forth therein. The fees charged by the Accounting Firm shall be borne by Seller, unless such audit reveals an underpayment by Buyer of more than the [***] for the audited period, in which case Buyer shall reimburse Seller for the reasonable costs of such audit. The Accounting Firm shall disclose to Seller and Buyer any matters directly related to its findings and shall disclose whether it has determined that any statements set forth in the Royalty Reports are inaccurate. Before beginning its audit, the Accounting Firm shall execute an undertaking acceptable to Buyer by which the Accounting Firm agrees to keep confidential all information reviewed during the audit.

(b) The initiation of a review by Seller as contemplated by this Section 3.8 shall not relieve Buyer of its obligation to pay any Milestone Payment relating to any Milestone for which notice of achievement has been given pursuant to Section 3.2(a) or Section 3.2(b), as applicable, it being understood that Buyer shall also be obligated to pay the full amount of the Milestone Payment Shortfall, if any, in accordance with Section 3.8(c).

(c) If the Accounting Firm concludes that any Milestone Payment should have been paid but was not paid when due, or was not paid in full, then, within [***] of the date the Accounting Firm delivers its written report to Seller and Buyer, Buyer shall pay the amount of such Milestone Payment (to the extent not paid on a subsequent date), plus interest on such Milestone Payment at a rate per annum equal to the prime rate of interest reported from time to time in *The Wall Street Journal*, plus [***] with the total interest amount calculated on the basis of the actual number of days elapsed over [***] from the date such Milestone Payment should have occurred (if Buyer had given notice of achievement of such Milestone pursuant to the terms of this Agreement) to the date of actual payment (such amount, including interest, being the "Milestone Payment Shortfall").

(d) The decision of such Accounting Firm shall be final and binding (other than in the case of manifest error or fraud), and any order or judgment may be entered upon such determination in any court having jurisdiction over the Party against which such determination is to be enforced.

(e) The covenants and obligations set forth in this Section 3.8 shall survive until [***] after Buyer delivers the last Milestone Update Report, or Royalty Report, as applicable, required to be delivered pursuant to this Agreement, upon which date the calculations set forth in the Royalty Report shall be conclusive and binding on Seller unless a Milestone Payment Shortfall has been determined to exist pursuant to this Section 3.8.

(f) Buyer shall not, and shall cause its Affiliates and sublicensees not to, enter into any license or distribution agreement or other similar Contract with any Third Party with respect to any Product unless such agreement contains provisions that would allow Buyer or its Affiliates and sublicensees to obtain and provide to the Accounting Firm such access to the records of the other Party to such license or distribution agreement as may be necessary to perform its duties pursuant to this Section 3.8. If Seller requests an audit under this Section 3.8, then Buyer shall, and shall cause its Affiliates and sublicensees to, obtain and provide to the Accounting Firm such access to the records of the other Party to such license or distribution agreement as may be requested by the Accounting Firm to perform its duties pursuant to this Section 3.8, including by exercising any contractual rights of the type described in the immediately preceding sentence.

Section 3.9. Diligence.

(a) Commencing upon the Closing Date, Buyer shall use Commercially Reasonable Efforts, itself or through other Milestone Parties, to commercialize at least one Product in the United States and achieve the CRE Milestones and not take any actions in bad faith concerning the operations of Buyer or any Milestone Party with the intention of avoiding any of Buyer's obligations to pay any Milestone Payment related to a CRE Milestone.

(b) Upon request from time to time to Buyer by Seller, Buyer shall, no more than once in each Calendar Quarter, meet with Seller and its Representatives at Buyer's offices or via telephone to provide verbal updates and respond to inquiries regarding status and actions taken in order to achieve each of the Milestones.

(c) As promptly as practicable (and in any event no later than [***] following the end of each Calendar Year prior to the First Commercial Sale of a Product in any country, Buyer shall deliver to Seller a report (the "Milestone Update Report") for the preceding Calendar Year summarizing in reasonable detail the status of achieving each of the Milestones and the actions undertaken by Buyer and the Milestone Parties pursuant to Section 3.9(a) (including a summary of the research, development, marketing, sales, licensing and commercialization activities of Buyer and the Milestone Parties with respect to the pre-clinical and clinical development, manufacture and commercialization of Product as conducted by Buyer and the Milestone Parties, including all Products then under development for such Calendar Year). Upon request from time to time to Buyer by Seller during the period between Milestone Update Reports, Buyer shall meet with Seller and its Representatives in person or via webconference or via telephone to provide updates and respond to inquiries regarding such status and actions.

(d) From and after the Closing Date, Buyer shall not, and shall cause its Affiliates and sublicensees not to, sell, assign or transfer all or substantially all of the rights to develop or commercialize the Products unless, as a condition to such sale, assignment or transfer, the purchaser, assignee or transferee (as applicable) assumes in writing all obligations of Buyer set forth in this Agreement with respect to the applicable Products (subject to all limitations and qualifications included in this Agreement with respect to such obligations), including the obligation to pay, upon the achievement of any Milestone that has not, prior to the date of such sale, assignment or transfer, been achieved and paid in accordance with this Agreement, any Milestone Payment payable with respect to such Milestone or any Royalty Payment payable in accordance with the terms of this Agreement; provided that no such sale, assignment or transfer shall relieve Buyer of any of its obligations set forth in this Agreement with respect to the Products, including the obligation to pay any Milestone Payment or Royalty Payment, prior to the date of such sale, assignment or transfer; provided further that Buyer shall remain liable (subject to the limitations and qualifications set forth in this Agreement) for, and such purchaser, assignee or transferee shall not be required to assume, any obligation to pay any Milestone Payment payable with respect to any Milestone achieved and Royalty Payment payable prior to the date of such sale, assignment or transfer. Any such transfer without such an assumption by the purchaser, assignee or transferee (as applicable) shall be null and void.

ARTICLE IV

THE CLOSING

Section 4.1. Closing Date. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place remotely via the electronic exchange of documents and signature pages (or such other location as shall be mutually agreed upon by Seller and Buyer) commencing at 10:00 am Eastern Time on the date hereof (the "Closing Date"). For purposes of this Agreement and the transactions contemplated hereby, the Closing will be deemed to occur and be effective, and title to and risk of loss associated with the Transferred Assets, shall be deemed to occur at 12:01 am, Eastern Time, on the Closing Date.

Section 4.2. Closing Deliveries by Seller. At the Closing, Seller shall deliver or cause to be delivered to Buyer:

(a) a counterpart of the Assignment and Assumption Agreement, duly executed by Seller;

(b) a counterpart of the Bill of Sale, duly executed by Seller;

(c) the Transferred Assets (subject to Section 2.4 and Section 2.5);

(d) a duly executed IRS Form W-9 of Seller;

(e) a counterpart of the Transition Services Agreement, duly executed by Seller;

(f) counterparts of the Noncompetition Waivers with each of [***] duly executed by Seller; and

(g) the duly executed consents and approvals from each Governmental Authority and Third Party identified in Schedule 4.2(g) of the Seller Schedules (collectively, the "Third Party Consents").

Section 4.3. Closing Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller:

(a) the Closing Payment by wire transfer of immediately available funds into an account (or accounts) designated in advance by Seller;

(b) a counterpart of the Assignment and Assumption Agreement, duly executed by Buyer;

(c) a counterpart of the Transition Services Agreement, duly executed by Buyer; and

(d) a counterpart of the Bill of Sale, duly executed by Buyer.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as of the Closing Date, except as set forth in the Seller Schedules, which exceptions shall be arranged in sections corresponding to the numbered and lettered Sections of this Article V to which such exceptions relate, as follows:

Section 5.1. Seller Organization; Good Standing. Seller is duly incorporated, validly existing and, to the extent legally applicable, in good standing under the laws of Delaware and has the requisite power and authority to operate its business as now conducted. Seller is duly qualified to conduct business as a foreign corporation and, to the extent legally applicable, is in good standing in each jurisdiction where the nature of the business conducted by it makes such qualification necessary, except where the failure to so qualify or be in good standing would not prevent or materially delay the consummation of the transactions contemplated hereby.

Section 5.2. Authority; Enforceability. Seller has the requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the other Transaction Agreements by Seller and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized. This Agreement has been duly executed and delivered by Seller, and upon execution and delivery thereof, the other Transaction Agreements will have been duly executed and delivered by Seller, and assuming the due authorization, execution and delivery of this Agreement by Buyer, this Agreement constitutes, and upon the due authorization, execution and delivery thereof by Buyer, the other Transaction Agreements will constitute the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with the terms hereof, subject to the effect of any applicable Laws relating to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar applicable Laws relating to or affecting creditors' rights generally from time to time in effect and to general principles of equity, regardless of whether considered in a Proceeding in equity or at law (the "Enforceability Exceptions").

Section 5.3. No Conflicts. The execution, delivery and performance by Seller of the Transaction Agreements and the consummation by Seller of the transactions contemplated hereby and thereby do not, and will not (i) conflict with or violate any Law or Governmental Order applicable to Seller or the Business, (ii) conflict with or violate, in any material respect, any provision of the articles of incorporation or by-laws (or similar organizational document) of Seller, (iii) result in any material breach of, or constitute a material default under, or give to any Person any rights of termination, acceleration or cancellation of, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) on any of the Transferred Assets pursuant to any note, bond, mortgage, indenture, Contract, agreement, lease, license, Permit, franchise or other instrument to which Seller (with respect to the Transferred Assets) is a party or by which any Transferred Asset is bound, except for any consents, approvals, authorizations and other actions described in Section 5.4 or which would not prevent or materially delay the ability of Seller to consummate the transactions contemplated by, or perform its obligations under, the Transaction Agreements.

Section 5.4. Consents and Approvals. The execution, delivery and performance by Seller of the Transaction Agreements and the consummation by Seller of the transactions contemplated hereby and thereby do not and will not require any consent, approval, authorization or other action by, or any filing with or notification to, any Governmental Authority by Seller, except where the failure to obtain such consent, approval, authorization or action or to make any such filing or notification would not reasonably be expected to materially delay the ability of Seller to consummate the transactions contemplated by, or perform its obligations under, the Transaction Agreements.

Section 5.5. Title to Transferred Assets. Seller has good and valid title to all of the tangible Transferred Assets, free and clear of all Encumbrances, other than Permitted Encumbrances. None of the Transferred Assets is in the possession, custody or control of any Person other than Seller.

Section 5.6. Litigation. There is no Proceeding pending or threatened in writing, against Seller with respect to the Business or Budoprutug that would reasonably be expected to result in damages exceeding [***], based on a reasonable analysis of counsel. There is no Proceeding pending or, threatened in writing against Seller that questions or challenges (i) the validity of this Agreement or any other Transaction Agreement or (ii) any action taken or to be taken by Seller or the managers, officers or directors of Seller pursuant to this Agreement or any other Transaction Agreement or in connection with the transactions contemplated hereby or thereby.

Section 5.7. Compliance with Laws. Seller, with respect to the Business, is not in violation of any Laws or Governmental Orders applicable to the conduct of the Business in any material respect. To the knowledge of Seller, no investigation or review by any Governmental Authority is pending or has been threatened or is reasonably anticipated against Seller nor, to the knowledge of Seller, has any Governmental Authority indicated an intention to conduct an investigation of Seller with respect to the Business. Seller is in compliance in all material respect with all Laws applicable to the Product and the Transferred Assets.

Section 5.8. Regulatory Approvals.

(a) Seller is the registered or beneficial holder of all of the Transferred Regulatory Documentation. There are no Proceedings pending or, to the knowledge of Seller, threatened, which could result in the revocation, cancellation or suspension of any registration listed in the Transferred Regulatory Documentation. Seller is the sole and exclusive owner of each registration listed in the Transferred Regulatory Documentation and has not granted any right of reference with respect thereto. Seller has not received any written or other notices or other communications related to the Transferred Assets from any Governmental Authority regarding any actual, alleged, threatened, possible or potential material violation of any such Laws.

(b) Neither the Seller nor any of its Affiliates, has made an untrue statement of material fact or fraudulent statement to the FDA or any other Regulatory Authority or failed to disclose a material fact required to be disclosed to the FDA or any other Regulatory Authority, that, at the time of the relevant disclosure or failure to disclose, as applicable, would reasonably be excepted to provide a basis for the FDA or any other Regulatory Authority to invoke the FDA Application Integrity Policy respecting "Fraud, Untrue Statements of Material Facts, Bribery and Illegal Gratuities," set forth in FDA's Compliance Policy Guide Sec. 120.100 (CPG 7150.09) or any similar policy, in each case, as related to the Business.

(c) None of Seller or its Affiliates nor, to the Knowledge of Seller, any officers, employees or agents (including any distributor) thereof has been suspended or debarred or convicted of any crime or engaged in any conduct that would reasonably be expected to result in (i) debarment under 21 U.S.C. Section 335a or any similar applicable Law, or (ii) exclusion under 42 U.S.C. Section 1320a-7 or any similar applicable Law, and, to the Knowledge of Seller, no such action is currently contemplated, proposed or pending.

Section 5.9. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement.

Section 5.10. Permits. Schedule 5.10 of the Seller Schedules sets forth a true, correct and complete list of all Permits held by Seller. Seller holds or has the right to use all Permits solely and specifically related to the Business. Seller is not in default under, or violating, any of such Permits, in any material respect. Seller has not received any written notice that it is or may be in violation in any material respect of any of the terms or conditions of such Permits. No loss or expiration of any such Permit is pending or, to the Knowledge of Seller, threatened other than any such Permit's expiration in accordance with the terms thereof.

Section 5.11. Transferred Contracts. (i) Each Transferred Contract is a legal, valid and binding obligation of Seller or its Affiliates, as applicable, and, to the Knowledge of Seller, each other party to such Transferred Contract, and is enforceable against Seller or its Affiliates, as applicable, and, to the Knowledge of Seller, each such other party thereto in accordance with its terms and (ii) there does not exist any material

breach or default on the part of Seller or its Affiliates, as applicable, under the terms of any such Transferred Contract, and to the Knowledge of Seller, no other party to any such Transferred Contract is in material breach or default thereunder. Seller has not received or given notice of any default or claimed or purported or alleged default or state of facts which, with notice or lapse of time or both, would constitute a default on the part of any party in the performance of any Transferred Contract.

Section 5.12. Taxes.

(a) Seller has timely filed all material Tax Returns relating, in whole or in part, to the Business or any of the Transferred Assets that are required to be filed by it under applicable Law. All such Tax Returns were true, complete, and correct in all material respects and were prepared in material compliance with applicable Law. Seller has timely paid all material Taxes (whether or not shown on any Tax Return) required to be paid by it, in each case relating the Business or any of the Transferred Assets. There is no extension of time within which to file any Tax Return relating, in whole or in part, to the Business or any of the Transferred Assets (other than automatic six- (6-) month extensions obtained in the Ordinary Course of Business), and no statute of limitations with respect to any Taxes of Seller relating to the Business or any of the Transferred Assets has been extended or waived.

(b) No written claim or dispute with respect to any Taxes of Seller has been raised by any Governmental Authority, nor does Seller have Knowledge of such a claim or dispute being threatened, which claim or dispute would give rise to any Encumbrance on the Business or Transferred Assets or be imposed on Buyer. No written claim has ever been made by a Governmental Authority in a jurisdiction where no Tax Return has been filed by or with respect to Seller that the Business or any of the Transferred Assets is or may be subject to taxation in such jurisdiction. There are no Encumbrances for Taxes, other than Permitted Encumbrances, on the Business or any of the Transferred Assets nor, to the Knowledge of Seller, is any Governmental Authority in the process of imposing any Encumbrances for Taxes on the Business or any of the Transferred Assets.

(c) Seller has not participated in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b) (or any corresponding or similar provision of state, local, or non-U.S. Tax Law) relating to the Business or any of the Transferred Assets.

(d) Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2.

(e) Seller has not granted any powers of attorney concerning any Taxes or Tax Returns in respect of the Business or any of the Transferred Assets, which powers of attorney are still in effect.

(f) None of the Business or any of the Transferred Assets is subject to any Tax indemnity, Tax sharing, Tax allocation or similar agreement that will be binding on Buyer after the Closing.

(g) No private letter rulings, technical advice memoranda or similar agreements or rulings related to Taxes have been requested, entered into or issued by any Governmental Authority with respect to the Business or any of the Transferred Assets.

(h) None of the Transferred Assets: (i) is "tax-exempt use property" within the meaning of Section 168(h) of the Code; (ii) directly or indirectly secures any debt the interest on which is tax-exempt under Section 103(a) of the Code; (iii) is property that is required to be treated as being owned by any other person pursuant to the provisions of former Section 168(f)(8) of the Internal Revenue Code of 1954; or (iv) is subject to a lease under Section 7701(h) of the Code or under any predecessor section.

The representations and warranties in this Section 5.12 refer only to the past activities of Seller and are not intended to serve as representations to, or as a guarantee of, nor can they be relied upon for, or with respect to, Taxes attributable to positions taken by Buyer for any Tax periods (or portions thereof) beginning after the Closing in respect of the Business or any of the Transferred Assets.

Section 5.13. Intellectual Property.

(a) Schedule 5.13(a) of the Seller Schedules sets forth a list of all Product Intellectual Property that is registered or for which an application for registration has been filed, in each case under the authority of any Governmental Authority (collectively, the "Registered Intellectual Property"), including (i) the jurisdiction or private registrar in which such item of Registered Intellectual Property has been registered or filed; (ii) the current owner thereof; and (iii) the applicable application, registration or serial number thereof.

(b) Except with respect to Licensed Intellectual Property or any Product Intellectual Property for which a Third Party retains a co-ownership interest or grants or is granted a license thereto, in each case, as indicated on Schedule 5.13(b) of the Seller Schedules, Seller or an Affiliate is the sole and exclusive owner of all Product Intellectual Property, free and clear of Encumbrances other than Permitted Encumbrances. As of the date hereof, to the Seller's Knowledge, the Product Intellectual Property is valid and enforceable, and neither Seller nor any of its Affiliates has taken any action that could reasonably be expected to result in the abandonment, cancellation or forfeiture of any such Product Intellectual Property (including the failure to pay any filing, maintenance or renewals fees). To Seller's Knowledge, all Owned Product Intellectual Property Controlled by Seller as of the Closing Date that is necessary for or specifically related to Budoprutug is included on Schedule 2.2(a)(vii) of the Seller Schedules.

(c) Seller has not received any written communication from any Person challenging or threatening to challenge, nor is Seller a party to any pending Proceeding in which any Person is (i) contesting the right of Seller to use, exercise, sell, license, transfer or dispose of any Product Intellectual Property, or (ii) challenging the ownership of any Owned Product Intellectual Property. Seller is not subject to any outstanding order, judgment, decree or stipulation restricting in any manner the licensing, assignment, transfer, use or conveyance of the Product Intellectual Property by Seller.

(d) There is no Proceeding alleging that the conduct of the Business by Seller constitutes infringement, misappropriation or other violation of any Intellectual Property of any Third Party. Except as set forth in Schedule 5.13(d) of the Seller Schedules, (i) Seller has not received any written notice (or, to the Knowledge of Seller, oral notice) from any Third Party making any such allegation or challenging the validity, enforceability or ownership of any of the Owned Product Intellectual Property and (ii) to the Knowledge of Seller, no Third Party is infringing, misappropriating or otherwise violating any of the Product Intellectual Property.

(e) Schedule 5.13(e) of the Seller Schedules lists all licenses, sublicenses and other Contracts to which Seller or its Affiliate is a party and pursuant to which any Third Party grants to Seller or its Affiliate (i) any right to make, have made, use, sell, have sold, offer for sale, import or otherwise distribute any Product, or to otherwise use any Product Intellectual Property, (ii) any covenant not to assert or sue or other immunity from suit under or any other rights to, any Intellectual Property Covering Budoprutug or the use of any other Product Intellectual Property, (iii) any ownership right or title, whether actual or contingent, to any Intellectual Property Covering Budoprutug or the use of any Product Intellectual Property, or (iv) an option or right of first refusal relating to any Intellectual Property Covering Budoprutug or the use of any Product Intellectual Property (collectively, "Inbound Licenses"); provided, that Schedule 5.13(e) of the Seller Schedules need not list, and Inbound Licenses do not include, any: (1) licenses for off-the-shelf software or generally available licenses in the Ordinary Course of Business; (2) non-disclosure agreements,

or (3) invention assignment agreements with employees, consultants and contractors that assign or grant to Seller or its Affiliate ownership of inventions and Intellectual Property. As of the date of this Agreement, neither Seller nor its Affiliates nor, to the Knowledge of the Seller, any Third Party is in material breach or violation of, or an incurable default under, any Inbound License, nor has Seller or its Affiliates, as applicable, received or delivered any written claim of any such material breach, violation or default.

(f) None of Seller or any of its Affiliates has granted to any Third Party any outbound licenses under the Owned Product Intellectual Property, other than non-exclusive licenses granted to vendors, manufacturers, suppliers, distributors or other Persons performing manufacturing, supply, marketing or other services on behalf of Seller or any of its Affiliates.

(g) Seller and its Affiliates have taken commercially reasonable measures to protect and maintain the proprietary nature of the Product Intellectual Property. All Seller employees who have participated in the conception, creation or development of any material Owned Product Intellectual Property have executed and delivered to Seller or its Affiliate, as applicable, a valid and enforceable Contract providing for the present assignment by such Person to Seller or its Affiliate, as applicable, of all rights in such Owned Product Intellectual Property.

(h) No trade secret constituting Owned Product Intellectual Property has been authorized to be disclosed or has been actually disclosed by Seller or its Affiliates to any employee, consultant or independent contractor or any Third Party, in each case, other than pursuant to a written non-disclosure agreement including restrictions on the disclosure and use of the Owned Product Intellectual Property that constitutes such trade secret. To the Knowledge of Seller, no employee, consultant or independent contractor or Third Party has materially breached or is in breach of any such non-disclosure agreement.

(i) Neither the execution, delivery or performance of this Agreement or the Ancillary Agreements, nor the consummation of the transactions contemplated hereby or thereby will (i) result in or give any other Person the right to cause a loss of, or Encumbrance, or material restriction on any Product Intellectual Property; (ii) constitute a material breach by Seller of any Inbound Licenses; (iii) result in the grant, assignment or transfer to any other Person of any license or other rights or interests under any Product Intellectual Property; or (iv) cause any material cancellation, termination, suspension of, or acceleration of any payment with respect to, any Inbound License.

(j) (i) No funding, facilities or personnel of any Governmental Authority, non-profit organization or educational or research institution were used, directly or indirectly, to develop or create, in whole or in part, any of the Transferred Assets, and (ii) no Governmental Authority, non-profit organization or educational or research institution has any right to, or right to royalties or other payment for, or to impose any requirement on the manufacture or commercialization of any product incorporating Transferred Assets.

(k) The consummation of this Agreement will not result in the loss, Encumbrance, alteration, or impairment of or payment of any additional amounts with respect to, nor require the consent of any Person in respect of, Buyer's or any of its Affiliates' right to own or use any of the Intellectual Property in the Transferred Assets. Schedule 5.13(k) of the Seller Schedules identifies (i) all Transferred Contracts pursuant to which Seller has any current or future obligations to pay any royalties or to provide other consideration and (ii) Seller's current outstanding or future obligations to pay any royalties or to provide other consideration to any other Person to exploit any Transferred Asset.

Section 5.14. Development of Budoprutug. Since January 4, 2023, the development of Budoprutug has been carried out in material compliance with all applicable Laws in all material respects, including GLP, GCP and GMP, as applicable.

Section 5.15. Insurance. There are no claims related to the Business, the Transferred Assets or the Assumed Liabilities pending under any insurance policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights.

Section 5.16. No Liabilities**.** To Seller's Knowledge, Seller has no Liabilities relating to, or arising out of, the Business or the Transferred Assets, except for those Liabilities set forth on Schedule 5.16 of the Seller Schedules or Liabilities relating to Taxes. Seller has not assumed, guaranteed or otherwise become directly or contingently liable on any Liabilities (other than Tax Liabilities) relating to, or arising out of, the Business or the Transferred Assets, of any other Person.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as of the Closing Date that:

Section 6.1. Buyer's Organization; Good Standing. Buyer is duly incorporated, validly existing and, to the extent legally applicable, in good standing under the laws of Delaware and has the requisite power and authority to operate its business as now conducted. Buyer is duly qualified to conduct business as a foreign corporation and is in good standing in every jurisdiction where the nature of the business conducted by it makes such qualification necessary, except where the failure to so qualify or be in good standing would not prevent or materially delay the consummation of the transactions contemplated hereby.

Section 6.2. Authority; Enforceability. Buyer has the requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the other Transaction Agreements by Buyer and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized. This Agreement has been duly executed and delivered by Buyer, and upon execution and delivery thereof, the other Transaction Agreements will have been duly executed and delivered by Buyer, and assuming the due authorization, execution and delivery of this Agreement by Seller, this Agreement constitutes, and upon the due authorization, execution and delivery thereof by Seller, the other Transaction Agreements will constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with the terms hereof, subject to the Enforceability Exceptions.

Section 6.3. No Conflicts. Provided that all consents, approvals, authorizations and other actions described in Section 6.4 have been obtained or taken, except as may result from any facts or circumstances relating to Seller or its Affiliates, the execution, delivery and performance by Buyer of the Transaction Agreements and the consummation by Buyer of the transactions contemplated hereby and thereby do not, and will not (i) conflict with or violate any Law or Governmental Order applicable to Buyer, (ii) conflict with or violate, in any material respect, any provision of the articles of incorporation or by-laws (or similar organizational document) of Buyer, or (iii) result in any material breach of, or constitute an incurable default under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of any Encumbrance pursuant to any note, bond, mortgage, indenture, Contract, agreement, lease, license, Permit, franchise or other material instrument to which Buyer is a party, except, with respect to the foregoing clauses (i) and (iii) which would not prevent or materially delay the ability of Buyer to consummate the transactions contemplated by, or perform its obligations under, the Transaction Agreements.

Section 6.4. Consents and Approvals. The execution, delivery and performance by Buyer of the Transaction Agreements and the consummation by Buyer of the transactions contemplated hereby and thereby do not and will not require any material consent, approval, authorization or other action by, or any material filing with or notification to, any Governmental Authority by Buyer or any of its Affiliates, except where the failure to obtain such consent, approval, authorization, or action or to make such filing or notification would not reasonably be expected to materially delay the ability of Buyer to consummate the transactions contemplated by, or perform its obligations under, the Transaction Agreements.

Section 6.5. Absence of Restraints; Compliance with Laws.

(a) To the Knowledge of Buyer, there exist no facts or circumstances that would reasonably be expected to prevent or delay the ability of Buyer or its applicable Affiliates to consummate the transactions contemplated by, or to perform their respective obligations under, the Transaction Agreements.

(b) Neither Buyer nor any of its Affiliates that are or will be party to any Transaction Agreements are in violation of any Laws or Governmental Orders applicable to them or by which any of their respective material assets is bound or affected, except for violations the existence of which would not reasonably be expected to materially prevent or delay their ability to consummate the transactions contemplated by, or to materially perform their respective obligations under, the Transaction Agreements.

Section 6.6. Litigation. There is no Proceeding pending or, to the Knowledge of Buyer, threatened against Buyer or any of its Affiliates which, if adversely determined, would materially interfere with the ability of Buyer to perform its obligations hereunder.

Section 6.7. No Brokers. Buyer will be solely responsible for any commission, finder's fee or other fees and expenses for services rendered by any broker, finder, financial advisor or investment bank in connection with the transactions contemplated hereby based on arrangements made by Buyer or any of its Affiliates.

Section 6.8. Sufficiency of Funds. Buyer has access, itself or through its Affiliates, to sufficient immediately available funds in cash or cash equivalents to pay all of the amounts to be paid by Buyer hereunder if and when due and payable.

ARTICLE VII

CERTAIN COVENANTS AND AGREEMENTS

Section 7.1. Confidentiality.

(a) The terms of that certain Mutual Confidential Disclosure Agreement dated [***] (the "Confidentiality Agreement") between Seller and Buyer are incorporated into this Agreement by reference and are continued in full force and effect (and the confidentiality obligations thereunder shall be binding upon Buyer and its Affiliates and their respective Representatives) until the Closing, at which time the confidentiality obligations under the Confidentiality Agreement terminate; provided, however, that Buyer's confidentiality obligations shall terminate only in respect of that portion of the Confidential Information (as defined in the Confidentiality Agreement) exclusively relating to Budoprutug or otherwise constituting a Transferred Asset, and for all other Confidential Information, the Confidentiality Agreement shall continue in full force and effect in accordance with its terms. Upon Closing, all Confidential Information as it relates solely to Budoprutug shall solely and exclusively vest with Buyer, and notwithstanding any conflicting provision of the Confidentiality Agreement, Seller and its Affiliates and their respective Representatives will be obligated to maintain the confidentiality of any of such Confidential Information that is a trade secret under applicable Law as a trade secret for so long as the Confidential Information maintains its status as a trade secret and to not use such Confidential Information after the Closing without the express written consent of Buyer.

(b) Without derogating from the generality of the foregoing, upon and following the Closing until the date that is [***] after the last Milestone Update Report or Royalty Report, as applicable, Seller and its Affiliates and their respective Representative will keep in strict confidence any and all information, whether written or oral, concerning the Business or which is provided by Buyer or its Affiliates or their respective Representatives, pursuant to this Agreement, except to the extent that Seller can show that such information (a) is generally available to and known by the public through no fault of Seller, any of its Affiliates or its Representatives; or (b) is lawfully acquired without obligation of confidentiality by Seller, any of its Affiliates or their respective Representatives from and after the Closing from sources which are not to Knowledge of Seller or the knowledge of the applicable Affiliate or Representative prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If Seller, its Affiliates or their respective Representatives are compelled to disclose any information by judicial or administrative process or by other requirements of Law, Seller shall promptly notify Buyer in writing and shall disclose only that portion of such information which Seller is advised by its counsel in writing is legally required to be disclosed; provided that Seller shall use commercially reasonable efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

Section 7.2. Books and Records. Seller and its Affiliates shall have the right to retain copies of all Transferred Records relating to periods ending on or prior to the Closing Date. For a period of [***] after the Closing, Buyer and Seller shall: (i) retain the Transferred Records and all other books and records related to the Transferred Assets; and (ii) upon a Party's reasonable notice to the other Party and during normal business hours, cooperate with and provide the requesting Party, any of such Party's Affiliates, and the officers, employees, agents and Representatives of such Party and such Party's Affiliates reasonable access to such Transferred Records, including as may be necessary for the preparation of financial statements, regulatory filings, Tax Returns, or in connection with any Proceedings. Each Party and its Affiliates shall be entitled, at their expense and subject to reasonable and customary confidentiality undertakings, to make copies of the books and records to which they are entitled access pursuant to this Section 7.2. For the sake of clarity, any Confidential Information in the Transferred Records or otherwise in the Transferred Assets shall become Buyer's Confidential Information upon Closing.

Section 7.3. Transfer and Assumption of Regulatory Commitments. From and after the Closing Date, Buyer will assume control of, and responsibility for all costs and Liabilities arising from or related to any Transferred Regulatory Documentation, including any commitments or obligations to any Governmental Authority involving the Business arising after the Closing Date.

Section 7.4. Certain Tax Matters.

(a) Cooperation. Each of Buyer and Seller shall reasonably cooperate, as and to the extent reasonably requested by the other Party, in connection with the preparation and filing of any Tax Return and the defense of any Tax Contest, in each case, relating to the Business or the Transferred Assets or arising from the transactions contemplated hereby (including Transfer Taxes, as defined herein), and the preparation of the Allocation Statement (as defined herein). Such cooperation shall include, upon the other Party's reasonable request, providing information and records that are reasonably relevant to any such Tax Return or Tax Contest or the Allocation Statement and making available employees on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Each of Seller and Buyer further agree, upon written request, to use commercially reasonable efforts (i) to obtain any certificate or other document from any Governmental Authority or any other person, and (ii) to prepare, execute and deliver any certificate, in each case, as may be necessary to mitigate, reduce or eliminate any Tax relating to the Transferred Assets or Business that could be imposed (including, but not limited to, with respect to the transactions contemplated under this Agreement). Seller shall retain all Tax books and records and abide by all record retention agreements entered into with any Governmental Authority, in each case, relating to the Business or the ownership, lease or operation of the Transferred Assets prior to the Closing and Seller shall give Buyer reasonable written notice prior to destroying or discarding any such books and records and, if Buyer so reasonably requests, allow Buyer to take possession of such books and records.

(b) Transfer Taxes. All stamp, documentary, filing, recording, registration, license, sales, use, transfer, excise, value-added and other similar Taxes incurred in connection with the transfer of the Transferred Assets to Buyer (collectively, "Transfer Taxes") shall be borne by Buyer, and the Party required to do so under applicable Law shall prepare and timely file any Tax Returns in connection therewith; provided that Buyer and Seller shall reasonably cooperate and each use commercially reasonable efforts to (i) effect the transfer of the Transferred Assets in a manner that minimizes any such Transfer Taxes and (ii) complete any forms required to claim an available exemption from such Transfer Taxes. The covenant in (i) shall include, to the extent reasonably practicable and requested by Buyer, Seller delivering, or causing to be delivered, to Buyer all of the Transferred Assets through electronic delivery or in another manner reasonably expected and legally permitted to minimize or avoid the incurrence of any Transfer Taxes if such method of delivery does not adversely affect the condition, operability, or usefulness of any Transferred Asset.

(c) Allocation of Taxes. For purposes of this Agreement, in the case of any property or similar *ad valorem* Taxes with respect to any Straddle Period, Seller shall be responsible for the portion of such Taxes apportioned to the portion of such Straddle Period ending on the Closing Date and Buyer shall be responsible for the portion of such Taxes apportioned to the portion of such Straddle Period beginning after the Closing Date. For purposes of this provision, the Taxes for any such Straddle Period shall be apportioned to the portion of the period ending on the Closing Date by multiplying the total Taxes for the Straddle Period by the ratio of the number of days in such period for the period ending on (and including) the Closing Date to the total number of days in the period and the remainder of such Taxes shall be allocated to the portion of such Tax period beginning after the Closing Date.

(d) Allocation of Tax Purchase Price; Tax Treatment. The Parties acknowledge and agree that the Purchase Price (and any relevant Assumed Liabilities, as determined for Tax purposes) shall be allocated to and among the Transferred Assets based on the Transferred Assets' relative fair market values, as such fair market values are determined pursuant to Schedule 7.3(d) (the "Allocation Methodology Schedule"), and consistent with the requirements of Section 1060 of the Code and the Treasury Regulations promulgated thereunder. Buyer shall prepare, or cause to be prepared, and deliver to Seller a draft of such allocation (the "Allocation Statement") as soon as reasonably practicable following the Closing Date (but no later than [***] following the Closing Date) for Seller's review and comment, which comments shall be provided as soon as reasonably practicable (but no later than [***] after Seller's receipt of the draft Allocation Statement). The Parties covenant to negotiate in good faith to resolve any dispute in respect of the Allocation Statement, and if the Parties are unable to resolve such dispute within [***] of receipt of Seller's comments, they shall engage a mutually agreed-upon independent accountant to resolve such dispute in accordance with the procedures set forth in Section 3.6(b) for the settlement of disputes by a Referee, *mutatis mutandis*. In addition, if any changes to the Allocation Statement are required due to an adjustment of the Purchase Price (or relevant Assumed Liabilities) after the Closing, Buyer shall prepare a supplemental or revised Allocation Methodology Schedule to reflect such adjustment, which shall be prepared in accordance with the Allocation Methodology Schedule and shall be subject to the same procedures for Seller's review and comment and any dispute resolution as provided above in respect of the original Allocation Statement. Each of Seller and Buyer shall report, and file any required Tax Returns (including, but not limited to, IRS Form 8594) in all respects and for all purposes consistent with the finally agreed-upon Allocation Statement (and any supplement or revision thereto). Neither Seller nor Buyer shall take any position (whether in audits, Tax Returns or otherwise) that is inconsistent with the Allocation Statement unless required to do so by applicable Law (including, for this purpose, a "determination" within the meaning of Section 1313(a) of the Code).

Section 7.5. Further Assurances.

(a) Each of Seller and Buyer shall execute and deliver, or cause to be executed and delivered, such documents and other instruments and take, or cause to be taken, such further actions as may be reasonably required or reasonably requested by the other Party to carry out the provisions of the Transaction Agreements and give effect to the transactions contemplated hereby or thereby.

(b) From time to time following the Closing, Seller and Buyer shall, and shall cause their respective Affiliates to, execute, acknowledge and deliver all reasonable further conveyances, notices, assumptions, releases and acquittances and instruments, and shall take such reasonable actions as may be necessary or appropriate, to make effective the transactions contemplated hereby as may be reasonably requested by the other Party hereto (including (i) transferring back to Seller or its designated Affiliates (and having Seller or its Affiliate assume) any asset or liability not contemplated by this Agreement to be a Transferred Asset or an Assumed Liability, respectively, which asset or liability was transferred to Buyer or its Affiliates at or after the Closing, and (ii) transferring to Buyer or its designated Affiliates (and having Buyer or its Affiliate assume) any asset or liability contemplated by this Agreement to be a Transferred Asset or an Assumed Liability, respectively, which was not transferred to or assumed by Buyer or its Affiliates at the Closing).

(c) In the event that, notwithstanding the provisions of this Agreement, any Third Party attempts to collect an Assumed Liability from Seller or its Affiliates, or an Excluded Liability from Buyer or its Affiliates, and (i) any claim or demand is made by such Third Party in respect of any such liability against Seller or its Affiliates or Buyer or its Affiliates, respectively or (ii) any investigation, suit or Proceeding is commenced against Seller or its Affiliates or Buyer or its Affiliates, respectively, in respect of any such liability, then, in each such case, (y) the Party receiving such claim or demand, or notice of such investigation, suit or Proceeding, shall promptly notify the other Party and send such Party any relevant documentation received in connection therewith, and (z) the Party whose liability such liability was intended to be hereunder (*e.g.*, if such liability was specifically contemplated by this Agreement to be an Assumed Liability, then Buyer, or if such liability was specifically contemplated by this Agreement to be an Excluded Liability, then Seller) shall assume the defense and control of any such claim, demand, investigation, suit or Proceeding. For the avoidance of doubt, from and after the Closing Date (1) Seller shall not be authorized to consent to a settlement of, or the entry of any judgment arising from, any Assumed Liability, without the consent of Buyer, (2) Buyer shall not be authorized to consent to a settlement of, or the entry of any judgment arising from, any Excluded Liability, without the consent of Seller; provided, that Buyer or Seller, respectively, shall (A) pay all amounts arising out of such settlement or judgment concurrently with the effectiveness thereof and (B) obtain, as a condition of such settlement or other resolution, a complete release of Seller and its Affiliates or Buyer and its Affiliates, respectively and (3) any Losses incurred by Seller or its Affiliates in respect of any such Assumed Liability, or any Losses incurred by Buyer or its Affiliates in respect of any such Excluded Liability, shall be deemed to be Assumed Liabilities and Excluded Liabilities, respectively, and Buyer and Seller, shall reimburse Seller and Buyer, respectively, for any such reasonable and documented Losses.

(d) To the extent any of the Transferred Assets are not delivered to Buyer at the Closing in accordance with Section 2.5, Seller shall promptly deliver any such Transferred Asset to Buyer at Seller's sole cost and expense in a manner reasonably acceptable to Buyer.

Section 7.6. Non-Solicit.

(a) From and after the Closing until [***] (the "Restricted Period"), Buyer shall not, and shall cause its Affiliates, successors, and assigns to not at any time during the Restricted Period directly or indirectly solicit, induce or attempt to induce any employees of Seller (such employees, the "Restricted Individuals") as of the Closing to become employees or independent contractors of Buyer following the Closing.

(b) In the event that Buyer hires or engages a Restricted Individual during the Restricted Period, Buyer shall pay to Seller by wire transfer of immediately available funds to an account or accounts designated by Seller, an amount of cash equal to [***] Any payments required pursuant to this Section 7.6(b) shall be made no later than [***] following the date such Restricted Individual is hired or engaged or [***] following receipt of an invoice of Seller's costs related to hiring a replacement for such Restricted Individual, as applicable.

(c) Buyer acknowledges and agrees that the covenant set forth in this Section 7.6 is a material inducement to Seller to enter into this Agreement and to perform its obligations under the Transaction Agreements and Seller would not obtain the benefit of the bargain set forth in this Agreement if Buyer breached any of the provisions of this Section 7.6. Buyer acknowledges that the scope and duration of the restrictions set forth in this Section 7.6 are reasonable. If any court of competent jurisdiction declares any provision of this Section 7.6 invalid or unenforceable, the remainder of this Agreement shall remain fully enforceable. To the extent a court of competent jurisdiction concludes that any such provision is void or voidable, the court shall reform such provision to render the provision enforceable, but only to the extent necessary to render the provision enforceable.

ARTICLE VIII

INDEMNIFICATION

Section 8.1. Survival.

(a) All representations and warranties of Seller contained herein or made pursuant hereto (including those in Article 5) shall not survive the Closing. Subject to Section 8.1(b), all representations and warranties of Buyer (other than the Buyer Fundamental Representations, as applicable) will remain operative and in full force and effect until the expiration of the [***] period following the Closing Date. The Buyer Fundamental Representations will remain operative and in full force and effect until [***] following the expiration of the statute of limitations applicable to the subject matter of such representations. The covenants and agreements of the Parties contained in this Agreement that by their terms apply or are to be performed in whole or in part after the Closing Date shall survive the Closing for the period provided in such covenants and agreements.

(b) Notwithstanding anything herein to the contrary, any breach of any representation, warranty, covenant or agreement in respect of which indemnification may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to Section 8.1(a) if notice of the breach thereof giving rise to such right of indemnification shall have been given at or prior to the time at which such representation, warranty, covenant or agreement would have otherwise expired pursuant to Section 8.1(a).

Section 8.2. Indemnification by Seller. Subject to Section 8.4, Seller hereby agrees that, from and after the Closing Date, Seller shall indemnify Buyer and its Affiliates and their respective directors, officers and employees (the "Buyer Indemnified Parties") against, and hold them harmless from, and pay and reimburse such parties for, any Losses to the extent such Losses arise from or in connection with the following:

(a) any material breach by Seller of any of its covenants, agreements or obligations to be performed following the Closing contained in this Agreement;

(b) any and all Excluded Liabilities or Excluded Assets; or

(c) Fraud or Willful Breach.

Section 8.3. Indemnification by Buyer. Subject to Section 8.4, Buyer hereby agrees that, from and after the Closing Date, Buyer shall indemnify Seller and its Affiliates and their respective directors, officers and employees (the "Seller Indemnified Parties") against, and hold them harmless from, and pay and reimburse such parties for, any Losses to the extent such Losses arise from or in connection with the following:

(a) any material breach of any of representation or warranty of Buyer set forth in Article VI;

(b) any material breach by Buyer of any of its covenants, agreements or obligations to be performed following the Closing contained in this Agreement;

(c) any and all Assumed Liabilities; or

(d) Fraud or Willful Breach.

Section 8.4. Limitations.

(a) The amount of any Losses for which either Seller or Buyer, as the case may be, is liable under this Article VIII shall be reduced by the amount of any insurance proceeds actually paid to the Indemnified Party (as defined herein) less the reasonable costs (including Taxes) of receiving such recovery including any deductible paid in obtaining such proceeds and increased cost of insurance. For the avoidance of doubt, the Indemnified Party is not obligated to pursue recovery under any insurance policy.

(b) Subject to Section 8.4(d), the right of the Buyer Indemnified Parties and the Seller Indemnified Parties under this Article VIII shall be the sole and exclusive monetary remedy of the Buyer Indemnified Parties and the Seller Indemnified Parties, as the case may be, with respect to matters covered hereunder, including Third Party claims relating to the Transferred Assets, Assumed Liabilities or Excluded Liabilities.

(c) Notwithstanding anything herein to the contrary, nothing in this Article VIII shall limit any remedy that a Buyer Indemnified Party or Seller Indemnified Party, as applicable, may have against any Person for Fraud, Willful Breach or in accordance with Section 9.12.

(d) Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that any and all due diligence conducted with respect to the transaction, the Transferred Assets or the Business shall not in any way limit the rights of the Seller Indemnified Parties or the Buyer Indemnified Parties to make a claim for indemnification hereunder.

(e) For purposes of determining (i) whether a breach of a representation or warranty exists for purposes of this Article VIII or (ii) the amount of Losses arising from a breach for which a Seller Indemnified Party is entitled to indemnification under this Article VIII, all qualifications contained in the representations and warranties of Buyer contained in this Agreement that are based on materiality (including all usages of "material" or similar qualifiers) will be disregarded.

(f) The maximum aggregate amount of indemnifiable Losses that may be recovered pursuant to Section 8.3(a) shall be the amount of the Purchase Price paid or payable to Seller, except for claims on account of Fraud or Willful Breach, for which there shall be no cap.

(g) Seller shall have no indemnification obligation for any Taxes of the Business or Transferred Assets resulting from any action taken by Buyer or its Affiliates after the Closing on the Closing Date outside the Ordinary Course of Business in respect of the Business or Transferred Assets unless otherwise expressly contemplated by this Agreement.

(h) No Indemnified Party shall be entitled to recover more than once for the same underlying Loss. The amount of any Loss payable pursuant to this Article VIII by Buyer or Seller, as the case may be, shall be net of any amounts recovered by the applicable Indemnified Party under applicable insurance policies or from any other Person alleged to be responsible therefor, (less the cost of recovery and/or enforcement and any deductibles and premium adjustments). If the Indemnified Party (x) receives any amounts under applicable insurance policies, or from any other Person alleged to be responsible for any Losses, then such Indemnified Party shall promptly reimburse Buyer or Seller, as the case may be, for any payment made or out-of-pocket expense incurred by Buyer or Seller, as the case may be, in connection with providing such indemnification payment up to the amount received by the Indemnified Party, net of any expenses incurred by such Indemnified Party in collecting such amount, to the extent not previously offset against Losses paid by Buyer or Seller, as the case may be.

(i) The applicable Indemnified Party shall use its commercially reasonable efforts to mitigate all Losses in respect of which such Indemnified Party may be entitled to indemnification pursuant to this Article VIII after becoming aware of any event which may reasonably be likely to give rise to any such Losses, it being understood that the reasonable out-of-pocket fees, costs and expenses incurred by the Indemnified Parties relating thereto shall be considered in the calculation of Losses. The Indemnified Parties shall use commercially reasonable efforts to seek coverage under any available insurance policies, or from any other Person alleged to be responsible, for any Losses payable under this Article VIII.

Section 8.5. Procedure.

(a) Any Person seeking indemnification provided for under this Article VIII (an "Indemnified Party") in respect of, arising out of or involving a claim made by any Person (other than a Party hereto) against an Indemnified Party (a "Third Party Claim"), shall promptly notify the indemnifying Party in writing of the Third Party Claim; provided, that failure to give such notice shall not affect the right to indemnification provided hereunder except to the extent the indemnifying Party shall have been actually and materially prejudiced as a result of such failure. Thereafter, the Indemnified Party shall deliver to the indemnifying Party, as promptly as reasonably practicable following such Indemnified Party's receipt thereof, copies of all written notices and documents (including any court papers) received by such Indemnified Party relating to the Third Party Claim.

(b) If a Third Party Claim is made against an Indemnified Party, the indemnifying Party shall be entitled at its election and its cost to assume the defense of such Third Party Claim with counsel selected by the indemnifying Party; provided, that, the indemnifying Party has unconditionally acknowledged to the Indemnified Party in writing its obligation to indemnify the Persons to be indemnified hereunder with respect to such Third Party Claim and to discharge any cost or expense arising out of such investigation, contest or settlement. If the indemnifying Party assumes such defense, the Indemnified Party shall nonetheless have the right to employ counsel separate from the counsel employed by the indemnifying Party; provided, that the indemnifying Party shall not be liable to such Indemnified Party for any fees of such separate counsel with respect to the defense of such Third Party Claim, unless the employment and reimbursement of such separate counsel is authorized by the indemnifying Party in writing. If the indemnifying Party does not assume such defense, and for any period during which the indemnifying Party has not assumed such defense, the indemnifying Party shall be liable for the reasonable fees and expenses of one single counsel (in addition to reasonable fees and expenses of local counsel required in jurisdictions not central to the Third Party Claim) employed (and reasonably acceptable to the indemnifying Party) by

such Indemnified Party (which reasonable fees and expenses shall be considered Losses for purposes of this Agreement). If the indemnifying Party chooses to defend a Third Party Claim or prosecute a claim in connection therewith, each Indemnified Party shall provide all cooperation as is reasonably requested by the indemnifying Party In such defense or prosecution.

(c) Notwithstanding anything to the contrary in this Section 8.5, no Party may settle, compromise or discharge, or make any reasonable admission of liability with respect to, such Third Party Claim other than for money damages only without the prior written consent of the other Party, subject to such Party paying or causing to be paid all amounts arising out of such settlement or obtaining and delivering to such other Party, prior to the execution of such settlement, a general release prepared and executed by all Persons bringing such Third Party Claim.

(d) An indemnifying Party shall not be entitled to assume or continue control of the defense of any Third Party Claim if the Third Party Claim (A) relates to or arises in connection with any criminal Proceeding, or (B) seeks an injunction or other equitable relief against any Indemnified Party.

Section 8.6. Notification of Claims for Indemnification. Promptly after the incurrence of any Losses by any Seller Indemnified Party or Buyer Indemnified Party, such Seller Indemnified Party or Buyer Indemnified Party shall promptly give the party from whom indemnification is sought written notice thereof; provided, however, that the delay or failure to so notify the indemnifying Party shall only relieve the indemnifying Party of its obligations to the extent, if at all, it is materially prejudiced by reason of such delay or failure. Each written notice for indemnification shall be in writing and shall describe with reasonable specificity, and to the extent known by the applicable Seller Indemnified Party or Buyer Indemnified Party, the nature and amount of the indemnifiable claim.

Section 8.7. Tax Treatment of Indemnification Payments. Seller and Buyer agree to treat any indemnification payment made pursuant to this Article VIII as an adjustment to the Purchase Price for U.S. federal, state and local and non-U.S. income Tax purposes, except to the extent otherwise required by applicable Law.

Section 8.8. No Right of Set Off. Buyer shall not secure payment for any Losses as a result of, arising out of or relating to Section 8.2, through set off of amounts owed to Seller in respect of the Milestone Payment.

ARTICLE IX

GENERAL PROVISIONS

Section 9.1. Expenses. Except as may be otherwise specified in the Transaction Agreements or the Letter of Interest, all costs and expenses, including fees and disbursements of counsel, financial advisers and accountants, incurred in connection with the Transaction Agreements and the transactions contemplated thereby shall be paid by the Party incurring such costs and expenses (or the Party on whose behalf such costs and expenses have been incurred), irrespective of when incurred or whether or not the Closing occurs or this Agreement is terminated.

Section 9.2. Notices. All notices and other communications under or by reason of the Transaction Agreements shall be in writing and shall be deemed to have been duly given or made (a) when personally delivered, (b) when delivered by e-mail transmission with receipt confirmed or (c) upon delivery by overnight courier service, in each case to the addresses and attention parties indicated below (or such other address, e-mail address or attention party as the recipient party has specified by prior notice given to the sending party in accordance with this Section 9.2):

if to Seller, to:

[***]

[***]

[***]

[***]

if to Buyer, to:

[***]

[***]

[***]

Section 9.3. Public Announcements. Neither Party shall issue any press release or make any public announcement with respect to any of the Transaction Agreements without the prior written consent of the other Party, except as may be required by Law or the rules and regulations of any national securities exchange upon which the securities of a Party are listed, in which case the Party proposing or required to issue such press release or make such public announcement shall use its commercially reasonable efforts to consult in good faith with the other Party before making any such public announcements and incorporate the reasonable comments timely made by the other Party in good faith. Notwithstanding the foregoing, neither Seller nor Buyer will be required to obtain the prior approval of or consult with the other Party in connection with any such press release or public announcement if it consists solely of information previously disclosed in all material respects in a previously distributed press release or public announcement made in accordance with this Section 9.3.

Section 9.4. Severability. If any term or other provision of this Agreement is held invalid, illegal or incapable of being enforced under any applicable Law or as a matter of public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. If the final judgement of a court of competent jurisdiction or other Governmental Authority declares that any term or other provision hereof is invalid, illegal or unenforceable, Seller and Buyer agree that the court making such determination will have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, illegal or unenforceable term or provision with a term or provision that is valid, legal and enforceable and that comes closest to expressing the intention of the invalid, illegal or unenforceable term or provision.

Section 9.5. Counterparts. This Agreement may be executed in one or more counterparts, and signature pages may be delivered by portable document format (PDF), DocuSign or any other electronic signature complying with the U.S. federal ESIGN Act of 2000, each of which shall be deemed an original, but all of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

Section 9.6. Entire Agreement. This Agreement (including the Schedules) and the other Transaction Agreements (and all exhibits and schedules hereto and thereto), the Letter of Interest and the Confidentiality Agreement collectively constitute and contain the entire agreement and understanding of Seller and Buyer with respect to the subject matter hereof and thereof and supersede all prior negotiations, correspondence, understandings, agreements and Contracts, whether written or oral, between the Parties and thereto respecting the subject matter hereof and thereof.

Section 9.7. Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by either Party, without the prior written consent of the other Party, except that either Party may assign any or all of its rights and obligations under this Agreement to any of its Affiliates or to a successor in interest in connection with the merger, consolidation, or sale of all or substantially all of its assets or that portion of its business pertaining to the subject matter of this Agreement, upon prior written notice to the other Party; provided, that no such assignment shall release a Party from any Liability or obligation under this Agreement. Any attempted assignment in violation of this Section 9.7 shall be void *ab initio*. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the Parties and their permitted successors and assigns.

Section 9.8. No Third-Party Beneficiaries and Affiliates. Except as provided for herein, this Agreement is for the sole benefit of the Persons specifically named in the preamble to this Agreement as Parties and their permitted successors and assigns, no Party hereto is acting as an agent for any other Person not named herein as a party hereto, and nothing in this Agreement or any other Transaction Agreements, express or implied, is intended to or shall confer upon any other Person, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. Each Party will be responsible for ensuring that its Affiliates act in accordance with its obligations under this Agreement.

Section 9.9. Amendment; Waiver. No provision of this Agreement or any other Transaction Agreement may be amended, supplemented or modified, including any Schedules thereto, except by a written instrument making specific reference hereto or thereto signed by all the parties to such agreement. No consent from any Indemnified Party under Section 8.5 (in each case other than the Parties) shall be required to amend this Agreement. At any time before the Closing, either Seller or Buyer may (a) extend the time for the performance of any obligation or other acts of the other Person, (b) waive any breaches or inaccuracies in the representations and warranties of the other Person contained in this Agreement or in any document delivered pursuant to this Agreement or (c) waive compliance with any covenant, agreement or condition contained in this Agreement, but such waiver of compliance with any such covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Any such waiver shall be in a written instrument duly executed by the waiving Party. No failure on the part of either Party to exercise, and no delay in exercising, any right, power or remedy under any Transaction Agreement except as expressly set forth in this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

Section 9.10. Schedules. Any disclosure with respect to a Section of this Agreement, including any Section of the Schedules, shall be deemed to be disclosed for purposes of other Sections of this Agreement, including any Section of the Schedules, to the extent that the relevance of such disclosure would be reasonably apparent to a reader of this Agreement and such disclosure. No reference to or disclosure of any item or other matter in any Section of this Agreement, including any Section of the Schedules, shall be construed as an admission of Liability or an indication that such item or other matter is material or that such item or other matter is required to be referred to or disclosed in this Agreement. Without limiting the foregoing, no such reference to or disclosure of a possible breach or violation of any contract, Law or Governmental Order shall be construed as an admission or indication that breach or violation exists or has actually occurred.

Section 9.11. Governing Law; Submission to Jurisdiction.

(a) This Agreement and each other Transaction Agreement and all Proceedings (whether at Law, in contract, tort or otherwise, or in equity) that may be based upon, arise out of or relate to this Agreement, or any other Transaction Agreement or the negotiation, execution or performance of this Agreement or any other Transaction Agreement or the inducement of any party to enter into any Transaction Agreement, whether for breach of contract, tortious conduct or otherwise, and whether now existing or hereafter arising (each, a "Transaction Dispute"), shall be governed by and enforced in accordance with the internal laws of the State of Delaware applicable to Contracts made and performed in such State without giving effect to any Law or rule that would cause the Laws of any jurisdiction other than the State of Delaware to be applied.

(b) The Parties hereby irrevocably submit to the exclusive jurisdiction the U.S. District Court for the District of Delaware (where federal jurisdiction exists) or the Court of Chancery of the State of Delaware sitting in the New Castle County (where federal jurisdiction does not exist), and the appellate courts having jurisdiction of appeals in such courts, in each case, over any Transaction Dispute and each Party hereby irrevocably agrees that all claims in respect of any Transaction Dispute shall be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such Transaction Dispute brought in such court or any defense of inconvenient forum for the maintenance of such Transaction Dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(c) Each of the Parties hereby consents to process being served by any Party to this Agreement in any Proceeding by the delivery of a copy thereof in accordance with the provisions of Section 9.2 other than by electronic mail.

(d) The foregoing consent to jurisdiction will not constitute submission to jurisdiction or general consent to service of process in the State of Delaware for any purpose except with respect to any Transaction Dispute.

Section 9.12. Specific Performance. Each Party hereto acknowledges and agrees that irreparable damage would occur, damages would be difficult to determine and would be an insufficient remedy and no adequate remedy other than specific performance might exist at law or in equity in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Therefore, it is agreed that each Party shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which it may be entitled, at Law or in equity. Such remedies shall, however, be cumulative with and not exclusive of and shall be in addition to any other remedies which any Party may have under this Agreement, or at Law or in equity or otherwise, and the exercise by a Party hereto of any one remedy shall not preclude the exercise of any other remedy. The Parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to applicable Law or inequitable for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy for any such breach or that Seller or Buyer otherwise have an adequate remedy at Law.

Section 9.13. Rules of Construction. Interpretation of this Agreement (except as specifically provided in this Agreement, in which case such specified rules of construction shall govern with respect to this Agreement) shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, and paragraph are references to the Articles, Sections and paragraphs to this Agreement unless otherwise specified; (c) the terms "hereof",

"herein", "hereby", "hereto" and derivative or similar words refer to this entire Agreement, including the Schedules hereto; (d) references to "$" shall mean Dollars; (e) the word "including" and words of similar import shall mean "including without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive unless clearly indicated and the occasional inclusion of "and/or" will not change this interpretation; (g) references to "written" or "in writing" include in electronic form; (h) provisions shall apply, when appropriate, to successive events and transactions; (i) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (j) Seller and Buyer have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening any Party by virtue of the authorship of any of the provisions in this Agreement; (k) a reference to any Person includes such Person's permitted successors and permitted assigns; (l) any reference to "days" means calendar days unless Business Days are expressly specified; (m) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and, if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day; (n) each of the representations and warranties of the Parties set forth herein shall be deemed to have been made as of the date such representation and warranty is made hereunder; (o) any reference to any particular Code section or Law shall be interpreted to include any amendment thereof and any revision of or successor to that section regardless of how it is numbered or classified and (p) the word "will" shall have the same meaning as "shall". Further, prior drafts of this Agreement or the other Transaction Agreements or the fact that any clauses have been added, deleted or otherwise modified from any prior drafts of this Agreement or any of the other Transaction Agreements shall not be used as an aid of construction or otherwise constitute evidence of the intent of the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party hereto by virtue of such prior drafts.

Section 9.14. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY TRANSACTION DISPUTE. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF A DISPUTE, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER TRANSACTION AGREEMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.14.

Section 9.15. Admissibility into Evidence. All offers of compromise or settlement among the Parties or their Representatives in connection with the attempted resolution of any Transaction Dispute (a) shall be deemed to have been delivered in furtherance of a Transaction Dispute settlement, (b) shall be exempt from discovery and production and (c) shall not be admissible into evidence (whether as an admission or otherwise) in any Proceeding for the resolution of the Transaction Dispute.

Section 9.16. General Release. Effective as of the Closing Date, the Seller, on behalf of itself and its Affiliates, its legal representatives, successors and assigns (each a "Releasor"), hereby releases, acquits and forever discharges, to the fullest extent permitted by Law, Buyer, Buyer's Affiliates and each of their respective representatives, equityholders, partners, members and agents (each a "Releasee") of, from and against any and all actions, causes of action, claims, demands, damages, judgments, debts, dues and suits of every kind, nature and description whatsoever (collectively "Claims") which such Releasor or its heirs, legal representatives, successors or assigns ever had, now has or may have on or by reason of any matter, cause or thing whatsoever prior to the Closing Date resulting from, arising out of or relating to the

Transferred Assets, the Assumed Liabilities and/or the Business. Each Releasor agrees not to, and agrees to cause its respective Affiliates and subsidiaries not to, assert any Claim against any of the Releasees with respect thereto. Notwithstanding the foregoing, each Releasor and its respective heirs, legal representatives, successors and assigns retains, and does not release, its rights and interests under the terms of this Agreement and the other Transaction Agreements or with respect to any Claim or liability resulting from such Person's fraud or other criminal act or for any Claim or liability arising on or after the Closing Date.

[signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Asset Purchase Agreement to be signed by their respective representatives thereunto duly authorized, all as of the date first written above.

ACELYRIN, INC.

By: /s/ Shao-Lee Lin
Name: Shao-Lee Lin
Title: Founder & Chief Executive Officer

WH2, LLC
By: Its Sole Member, ACELYRIN, INC.

By: /s/ Shao-Lee Lin
Name: Shao-Lee Lin
Title: Founder & Chief Executive Officer

TENET MEDICINES, INC.

By: /s/ Stephen Thomas
Name: Stephen Thomas
Title: Chief Executive Officer

Exhibit 10.2

[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

CONFIDENTIAL

DATED **11 JANUARY 2024**

(1) CANCER RESEARCH TECHNOLOGY LIMITED

AND

(2) TENET MEDICINES, INC.

AMENDED AND RESTATED LICENCE AGREEMENT

TABLE OF CONTENTS

THIS AMENDED AND RESTATED LICENCE AGREEMENT is made on 11 JANUARY 2024

BETWEEN

(1) **CANCER RESEARCH TECHNOLOGY LIMITED, trading as Cancer Research Horizons**, a company registered in England and Wales under number 1626049 with registered office at 2 Redman Place, London E20 1 SQ, United Kingdom ("**CRH**"); and

(2) **TENET MEDICINES, INC**., a company registered in Delaware under the number 2604053 with registered address at c/o The Corporation Trust Company, Corporation Trust Company, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware USA 19801 (the "**Licensee**").

BACKGROUND

(A) CRH is an oncology focused commercialisation and development company, which is wholly owned by the Charity (as defined below) and is responsible for the management and exploitation of the results derived from research funded by the Charity.

(B) Merck KGaA ("**Merck**") developed [***]. The Charity and Merck undertook a collaboration to take [***] into the clinic, for first time in human studies and treatment of patients with advanced [***] under an agreement dated 8th December 2009. Subsequently, Merck assigned certain rights to [***] to CRH in an agreement dated 17 July 2018 (the "**Merck Agreement**").

(C) The Licensee has been formed to obtain rights to [***] and related property rights in order to progress development and commercialization efforts relating to Licensed Products (as defined below).

(D) CRH entered into a licence agreement dated 27 February 2020 with ValenzaBio, Inc. ("**ValenzaBio**") for certain rights relating to [***] and related intellectual property rights, as amended by a first letter agreement dated 11 January 2021 and a second letter agreement dated 17 November 2021 (collectively, the "**Original Licence**"). ACELYRIN, INC. acquired ValenzaBio on 4 January 2023, pursuant to which the Original Licence was assigned to WH2, LLC, a wholly-owned subsidiary of ACELYRIN, INC. and the legal successor-in-interest to ValenzaBio ("**WH2**" and together with ACELYRIN, INC., "**Acelyrin**").

(E) As of the Effective Date, Licensee and Acelyrin entered into that asset purchase agreement pursuant to which, among other things, Acelyrin, assigned the Original Licence to Licensee and CRH provided its consent thereto.

(F) In connection with the assignment of the Original Licence, CRH and Licensee desire to enter into this Agreement to amalgamate the Original Licence terms and additional terms as agreed between the Licensee and CRH with effect on and from the Effective Date and to amend and restate the Original Licence in the form of this Agreement so that the rights and obligations of the Parties to the Original Licence shall, on and from the Effective Date, be governed by and construed in accordance with the provisions of this Agreement.

(G) CRH has agreed to grant, and the Licensee wishes to accept, a licence to certain rights relating to DI-B4 and related Intellectual Property, on the following terms and conditions.

OPERATIVE PROVISIONS

AGREED as follows**:**

1. INTERPRETATION

1.1 In this Agreement except where the context requires otherwise, the following words and expressions shall have the following meanings:

"**Affiliate**" means any person Controlling, Controlled by or under common Control with another entity.

"**Agreement**" means this agreement and each of the Schedules as amended from time to time in accordance with Clause 19.

"**Annual Fee**" means the non-refundable sum of [***].

"**Available Through The NHS**" means, in relation to a Licensed Product:

a) a determination by a UK Pricing Authority that such Licensed Product should be used within the NHS;

b) approval by the UK Pricing Authority of the price proposed by the Licensee or its Sub-Licensee in relation to sales of that Licensed Product in the United Kingdom (or one or more constituent countries thereof).

"**Charity**" means Cancer Research UK, a company limited by guarantee (registered in England and Wales under number 4325234) and a charity (registered in England under number 1089464 and registered in Scotland under number SC041666 and in the Isle of Man under number 1103) of 2 Redman Place, London E20 1 SQ, United Kingdom.

"**Commencement**" means, in relation to a clinical trial, the date that a Licensed Product is first administered to the first human subject, whether that subject is a healthy volunteer or a patient, and to "**Commence**", in relation to a clinical trial, has a corresponding meaning.

"**Commercially Reasonable Efforts**" means the efforts and resources commonly used by a well-funded biotechnology company for a product at a similar stage in its life cycle, with the objective of developing such product in a diligent and timely manner, taking into consideration its safety, efficacy and the patent or other proprietary position.

"**Competent Authority**" means any local or national agency, court, authority, department, inspectorate, minister, ministry official or public or statutory person (whether autonomous or not) of, or of any government of, any country having jurisdiction over the Agreement or either of the Parties or over the development or marketing of medicinal products such as the FDA or the European Medicines Agency.

"**Confidential Information**" means any information, in tangible or non-tangible form (including oral disclosure) including Know How, research and development plans, information relating to the customers, suppliers, business partners, clients, finances, business plans and products (in each case actual or prospective) of a Party, the terms of this Agreement, and any other technical or business information (whether or not marked as confidential), which is obtained by either Party from the other (or its representatives) pursuant to this Agreement.

"**Control**" means:

a) in respect of a corporate entity, the possession (directly or indirectly) of fifty per cent (50%) or more of the voting stock or other equity interest of the subject entity with the power to vote, or the power in fact to control the management decisions of such entity through the ownership of securities or by contract or otherwise; and

b) in respect of Intellectual Property, the possession of the right (whether through ownership or licence, other than a licence granted under this Agreement) to grant the licences or sublicences or make the assignments, or disclose Know-How, without violating the terms of any agreement with any third party that exists as at the Effective Date,

and "**Controlling**" and "**Controlled by**" shall have a corresponding meaning.

"**CRH Reviewers**" means independent persons nominated by CRH or the Charity for the purpose of monitoring and reviewing work funded by the Charity or providing scientific advice: each being a "**CRH Reviewer**".

"**Development Plan**" means a plan, developed by the Licensee and agreed to by CRH, describing the development of Licensed Products for between [***] and [***] indications as selected by Licensee. The Development Plan at the Effective Date is set forth in Schedule 5 and shall be updated by the Licensee in accordance with Clause 3.1.

"**Effective Date**" means 11 January 2024.

"**Executive Officers**" means Chief Executive Officer of the Licensee, and the Chief Business Officer of CRH or such other authorised officer of a Party as may be substituted from time to time upon the giving of written notice to the other Party.

"**Expenses**" means all reasonable and customary costs and expenses incurred from time to time by or on behalf of CRH in protecting and commercialising any Licensed Rights, including:

a) all Patent Costs;

b) travel and other out-of-pocket expenditure if such travel or expenditure is explicitly requested by Licensee in writing;

c) courier charges and third party printing costs; and

d) any non-recoverable taxes or charges, including Value Added Tax.

"**Expert**" means a suitably qualified independent expert appointed by agreement between the Parties. If the Parties are unable to reach agreement within [***] of either Party seeking in writing to the other to appoint such expert, each Party shall submit two (2) names to the President (or equivalent) for the time being of:

a) the Institute of Chartered Accountants of England and Wales (or any successor body thereto) for the purpose of Clause 6.3 or 15.3.2; or

b) the Association of the British Pharmaceutical Industry (or any successor body thereto) for the purpose of Clause 3.6.4, who shall select an individual from the names submitted.

"**Exploit**" means research, develop, test, manufacture or sell, and each of "**Exploitation**" and "**Exploiting**" has a corresponding meaning.

"**Extended Exclusivity Period**" means any period during which one of the following subsists in respect of a Licensed Product or its marketing or sale, or arises from the results of a clinical study relating thereto: clinical trial data exclusivity, Orphan Drug Designation, paediatric designation or other exclusivity (excluding a Patent) granted by a Competent Authority beyond the expiry of the relevant Patent.

"**FDA**" means the United States Food and Drug Administration or any successor to it.

"**Field**" means all therapeutic uses in Indications but excluding any use for an Oncology Indication. For the avoidance of doubt, excluded from the Field is: (i) any Exploitation or other research or development activity directed towards any one or more Oncology Indication and/or in relation to the understanding of cancer as a disease, its treatment and diagnosis, and any of the biological mechanisms underpinning cancer; and (also excluded is) (ii) making, having made, using, selling, offering to sell, or importing any Licensed Product for or in relation to any Oncology Indication. Also excluded from the Field is any research and/or development directed towards [***];

"**First Commercial Sale**" means, with respect to a Licensed Product and a country or region, the first transfer or disposition for value and on arm's length terms by the Licensee or any Sub-Licensee of that Licensed Product in that country or region, after all relevant Regulatory Authorisations for the transfer or disposition of that Licensed Product have been obtained in respect of that region or country.

"**Foreground General Intellectual Property**" means all Intellectual Property other than Foreground Product-Specific Intellectual Property that is (a) owned or Controlled by the Licensee, (b) used, conceived or generated by or on behalf of the Licensee or its Sub-Licensees in the course of exercising the rights granted under the Licence and Exploiting Licensed Products, including any Patents that claim any Materials or inventions described or comprised in Know How or Materials, with the exception of Licensee's trade secrets and other proprietary information previously known to and owned by Licensee even if used in the course of exercising the rights granted under the Licence, and (c) reasonably useful for the Exploitation of the Licensed Product. For the avoidance of doubt, Foreground General Intellectual Property includes all Intellectual Property within the scope of this definition under the Original Licence. "**Foreground Product-Specific Intellectual Property**" means all Intellectual Property that is (a) owned or Controlled by the Licensee, (b) used, conceived or generated by or on behalf of the Licensee or its Sub-Licensees in the course of exercising the rights granted under the Licence or Exploiting Licensed Products, including any Patents that claim any Materials or inventions described or comprised in Know How or Materials, with the exception of Licensee's trade secrets and other proprietary information previously known to and owned by Licensee

even if used in the course of exercising the rights granted under the Licence, and (c) necessary for the Exploitation of the Licensed Product. For the avoidance of doubt, Foreground Product-Specific Intellectual Property includes all Intellectual Property within the scope of this definition under the Original Licence, in particular Know How (i) relating to the manufacturing process development and scale-up of the original Merck [***], (ii) generated as part of the development of the new [***] and/or (iii) relating to [***].

"**Force Majeure**" means in relation to either Party any event or circumstance that:

a) is beyond the reasonable control of that Party;

b) that Party could not reasonably be expected to have taken into account at the Effective Date; and

c) that results in or causes the failure of that Party to perform any or all of its obligations under this Agreement.

"**Force Majeure**" includes acts of God, lightning, fire, storm, flood, earthquake, strike, lockout or other industrial disturbance, war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, explosion; but a lack of funds shall not be a "**Force Majeure**".

"**Handback Assignment**" has the meaning given in Clause 15.2.1.

"**IND**" means an investigational new drug application filed with the FDA, or the equivalent application or filing filed with any equivalent Competent Authority outside the United States of America (including any supranational agency such as the European Medicines Agency) necessary to commence human clinical trials in such jurisdiction.

"**Indemnified Parties**" or "**Indemnified Party**" means CRH, the Charity, and, in each case, their respective officers, employees and agents.

"**Indication**" means [***]

"**Insolvency Event**" means, in respect of a Party:

a) a voluntary arrangement is proposed or approved or an administration order is made;

b) a receiver or administrative receiver is appointed for all or a substantial portion of that Party's assets;

c) a winding-up resolution or petition is passed by such Party (otherwise than for the purpose of solvent reconstruction, amalgamation or similar purpose);

d) any circumstances arise which entitle a court or a creditor to appoint a receiver, administrative receiver or administrator or make a winding-up order;

e) files a petition for bankruptcy or consents to entry of an order for relief under any provision of the U.S. Bankruptcy Code or any state or law of any other jurisdiction relating to insolvency or is adjudicated bankrupt or insolvent; or

f) similar or equivalent action is taken against or by that Party by reason of its insolvency or in consequence of debt.

"**Intellectual Property**" means Materials, Patents, Know How, copyright, database rights, registered or unregistered designs and all other intellectual property or similar rights in any jurisdiction.

"**Key Activity**" means the following in relation to [***] or Licensed Product in:

a) significant research activity related to biological processes that a Licensed Product would or could affect, including animal studies;

b) active preclinical work required for any contemplated clinical trial, including any toxicology or pharmacokinetic work;

c) active planning for any clinical trial (or where issues arising with a Competent Authority in relation to a clinical trial, active negotiation with such Competent Authority or replanning of the clinical trial);

d) actively seeking to obtain the necessary IND or other approvals to carry out clinical trials;

e) active enrolment of patients into, or participation of patients in clinical trials, where relevant in accordance with the protocol in order to determine if the primary end point has been met;

f) active monitoring, analysis or reporting on the data arising from clinical trials where relevant in accordance with the protocol in order to determine if the primary end point has been met;

g) manufacture or formulation of a Licensed Product for use in clinical trials, including active process development work in support of planned manufacture; and

h) preparation for and making submissions to regulatory agencies for an NDA or awaiting the outcome of such submission;

"**Know How**" means technical and other information not in the public domain, including ideas, concepts, inventions, discoveries, data, formulae, algorithms, specifications, clinical data, information relating to Materials (including biological and chemical structures and functions as well as methods for synthesising chemical compounds), procedures for experiments and tests, results of experimentation and testing, results of research and development including laboratory records and data analyses. Information in a compilation or a compilation of information may be Know How even if some or all of its individual elements are in the public domain.

"**Licensed Know How**" means the Know How more particularly described in Schedule 2.

"**Licensed Materials**" means the Materials that are identified in Schedule 3.

"**Licensed Patents**" means the Patents that are identified in Schedule 1.

"**Licensed Product**" means any product which: (i) falls within the scope of one or more Valid Claims of any of the Licensed Patents in the relevant country or territory; and/or (ii) has been developed using or incorporating any part of the Licensed Rights and all pharmaceutical and biological formulations and dosage forms thereof in any form, presentation, formulation or dosage form, including any co-formulation, co-packaged, co-prescribed or bundled product or other type of combination product and any fragment or humanised or conjugated antibody or other antibody developed to target the same epitope. Excluded are [***] Each formulation or dosage form, but not dosage amounts within that formulation or dosage form, shall be considered a separate Licensed Product.

"**Licensed Rights**" means the Licensed Know How, Licensed Materials, Licensed Patents and Non-Exclusive Licensed Rights.

"**Major Commercial Markets**" means the [***]; and "**a Major Commercial Market**" shall mean any of them. "**Marketing Authorisation**" means, in respect of a product in a country, an approval by the relevant Regulatory Authority, including approval of an NDA, of an application to market and sell that product in that country.

"**Material Costs**" means any and all costs and expenses incurred by CRH in connection with the storage of Licensed Materials.

"**Materials**" means any chemical or biological substances or materials, including any: organic or inorganic element or compound; nucleotide or nucleotide sequence including DNA and RNA sequences; gene; vector or construct including plasmids, phages, bacterial vectors, bacteriophages and viruses; host organism including bacteria, fungi, algae, protozoa and hybridomas; eukaryotic or prokaryotic cell line or expression system or any development strain or product of that cell line or expression systems; protein including any peptide or amino acid sequence, enzyme, antibody or protein conferring targeting properties and any fragment of a protein or a peptide enzyme or antibody; drug or pro-drug; assay or reagent; any other genetic or biological material or micro-organism or any transgenic animal; and any physical property rights relating to any of the foregoing.

"**Milestone Event**" has the meaning given in Clause 4.3.

"**Milestone Payment**" has the meaning given in Clause 4.3.

"**NDA**" means an application for approval to market a product commercially, such as the New Drug Application filed pursuant to the requirements of the FDA, as more fully defined in 21 CFR.§ 314.3 et seq, or a Biologics License Application filed pursuant to the requirements of the FDA, as more fully defined in 21 CFR § 601, or a Marketing Authorisation application filed pursuant to the requirements of European Directive 2001/ 83/ EC, or any equivalent or similar application filed with any other Competent Authority in any country or region in the Territory.

"**Net Revenue**" means the aggregate sums received by CRH, after deduction of Expenses, in respect of any commercial exploitation of Licensed Products under the Handback Assignment.

"**Net Sales**" means the gross amount invoiced on account of sales of Licensed Product by the Licensee or any of its Affiliates or Sub-Licensees in the Territory (but not including sales between the Licensee, its Affiliates or Sub-Licensees where the Licensed Product is intended for resale and is resold to a third party on arms-length terms) less the following deductions directly relating to such sales of Licensed Product:

a) [***]

b) [***]

c) [***]

d) [***]

e) [***]

f) [***]

For purposes of this definition, the Licensed Product shall be considered "sold" and "deductions" allowed when recorded as invoiced in the Licensee's, its Affiliate's or Sub-Licensee's financial statements prepared in accordance with the relevant accounting standards.

"**NHS**" means the National Health Service in England and Wales (or any successor organisation thereto) and the equivalent organisations in Scotland and Northern Ireland.

"**Non-Exclusive Licensed Rights**" means all Licensed Rights identified in Schedule 1A.

"**Oncology Indications**" means an Indication in the [***], each being an "**Oncology Indication**".

"**Parties**" means CRH and the Licensee, each being a "**Party**".

"**Patent Costs**" means any and all costs and expenses incurred by CRH in filing, prosecuting, maintaining, defending and enforcing the Licensed Patents, including official filing, prosecution, maintenance and renewal fees, patent attorney, translation, legal and other professional fees and expenses and costs and expenses associated with any opposition or interference action, in each case to the extent not reimbursed prior to the Effective Date (and as set out in Schedule 6) and/or accruing after the Effective Date (and as provided in Clause 7.2).

"**Patents**" means any patent applications, patents, author certificates, inventor certificates, utility models, and all foreign counterparts of them and includes all divisionals, renewals, continuations, continuations-in-part, extensions, reissues, substitutions, confirmations, registrations, revalidations and additions of or to them, as well as any Supplementary Protection Certificate, or any like form of protection.

"**Phase I Trial**" means a clinical trial in human patients in which a Licensed Product is administered to human subjects at multiple dose levels with the primary purpose of determining safety, metabolism, and pharmacokinetic and pharmacodynamic properties of the Licensed Product, and is consistent with 21 CFR § 312.21(a) and any microdosing clinical trial conducted pursuant to the FDA's 2006 Guidance on Exploratory Investigational New Drugs or any equivalent arrangements. For purposes of this Agreement, any FDA approved trial designated "Phase lb/I la" will be deemed a Phase I trial provided that it does not include a control (including placebo or standard of care) arm.

"**Phase II Trial**" means a clinical trial of a Licensed Product in human patients intended to evaluate drug effectiveness in particular indications, consistent with 21 CFR 312.21(b).

"**Phase Ill Trial**" means a human clinical trial of a Licensed Product in human patients, the principal purposes of which are to:

a) establish that the Licensed Product is safe and efficacious for its intended use; and

b) define warnings, precautions and adverse reactions that are associated with the Licensed Product in the dosage range to be prescribed, and is consistent with 21 CFR § 312.21(c). Any Phase II Trial that is adapted to be a larger scale trial and intended as a pivotal trial for the purpose of obtaining Regulatory Authorisation of a Licensed Product, shall be deemed a Phase III Trial.

"**Price Approval**" means, in those countries in the Territory where a Competent Authority may approve or determine pricing or pricing reimbursement for pharmaceutical products, such approval or determination.

"**Progress Report**" means a written report produced by the Licensee summarising:

a) the progress of development (including but not limited to, CMC development and timelines of development milestones) of Licensed Products against the current Development Plan;

b) any sublicensing activity, including any completed Sub-Licence agreement/s;

c) the progress of any applications for Regulatory Authorisations and (where relevant) Price Approvals; and

d) the progress of and plans for marketing and sale of Licensed Products (by the Licensee and/or any Sub-Licensees).

"**Quarter**" means any of the three-monthly periods commencing on the first day of any of the months of January, April, July, and October in any Year, and "**Quarterly**" has a corresponding meaning.

"**Regulatory Authorisations**" means all authorisations, approvals, clearances, and licences of a Competent Authority (including an NDA) that may be required in any country of the Territory prior to commercial sale of the relevant Licensed Product in the Field, including any necessary variations thereto, but excluding any Price Approvals.

"**Signature Fee**" has the meaning given in Clause 4.1.

"**Sub-Licence**" means a sub-licence granted under the Licence by the Licensee or any Sub-Licensee in accordance with the terms of this Agreement.

"**Sub-Licence Revenue**" means any monies or non-monetary consideration (including securities) receivable from time to time by the Licensee in respect of any sub-licence granted by the Licensee under this Agreement or in consideration of the grant of the right to acquire such a sub-licence, including option fees, licence issue fees or other up-front payments, annual licence fees, milestone or other lump sum payments which are attributable to the grant of the rights in question or any other sums that the Licensee may realise from the launch of a Licensed Product (including any prize or other award made by a Competent Authority), but excluding [***]

"**Sub-Licensee**" means a person to whom a sub-licence is granted in accordance with Clause 2.4 in respect of the whole or any part of the rights granted under this Agreement.

"**Supplementary Protection Certificate**" means a right based on a patent pursuant to which the holder of the right is entitled to exclude third parties from using, making, having made, selling or otherwise disposing or offering to dispose of, importing or keeping the product to which the right relates, such as supplementary protection certificates in Europe, and any similar right anywhere in the world.

"**Term**" means the term of this Agreement determined in accordance with Clause 15.1.

"**Territory**" means worldwide.

"**Third Party Service Provider**" means a third party who provides research, development, distribution, sales or manufacturing services to the Licensee on an arms' length basis in connection with the Licensee's products, including contract research organisations, universities and hospitals. A Tobacco Party may not act as a Third Party Service Provider.

"**Tobacco Party**" means any person who:

a) develops, sells or manufactures tobacco products; or

b) makes the majority of its profits from the importation, marketing, sale or disposal of tobacco products; or

c) is an Affiliate of any person referred to in (a) or (b) above;

"**UK Pricing Authority**" means any supra-national, national or regional government department, authority, agency or entity (including a non-departmental public body or similar entity) with responsibility for evaluating the cost effectiveness of medicinal products in the United Kingdom (or one or more constituent countries thereof) or otherwise determining whether the NHS (or constituent parts thereof) should purchase medicinal products.

"**Valid Claim**" means a claim of any Licensed Patent that has not expired, been withdrawn, abandoned, disclaimed, surrendered or been refused, revoked or held invalid in an unappealed or unappealable final decision rendered by a court or other governmental agency of competent jurisdiction in the relevant country or territory, including any claim in a Patent being prosecuted in a pending patent application;

"**Year**" means a calendar year.

1.2 In this Agreement:

1.2.1 unless the context requires otherwise, all references to a particular Clause, paragraph or Schedule shall be references to that clause, paragraph or schedule, in or to this Agreement;

1.2.2 the table of contents and headings are inserted for convenience only and shall be ignored in construing this Agreement;

1.2.3 unless the contrary intention appears, words importing the masculine gender shall include the feminine and vice versa and words in the singular include the plural and vice versa;

1.2.4 unless the contrary intention appears, words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust association, organisation or other entity, in each case whether or not having separate legal personality;

1.2.5 references to the words "include" or "including" or "for example" or "e.g." or (i.e.) shall be construed without limitation to the generality of the preceding words;

1.2.6 the term "**or**" is to be interpreted in the inclusive sense commonly associated with the term "**and/or**"; and

1.2.7 a breach of a provision of this Agreement may be material, whether or not such breach is expressly stated in this Agreement to be a material breach.

2. LICENCE

2.1 Grant of Licence. Subject to the provisions of this Agreement (including Clause 2.3), CRH hereby grants the Licensee a licence under the Licensed Rights to Exploit Licensed Products in the Field in the Territory during the Term (the "**Licence**"). The Licensee acknowledges that it has already received as a result of the assignment of the Original Licence to Licensee (a) the Licensed Know How set forth in Schedule 2 and the Licensed Materials specified in 3.3, 3.4, and 3.5 of Schedule 3 and (b) the Licensed Materials specified in 3.1 and 3.2 of Schedule 3 to Licensee under the terms of the materials transfer agreement previously executed between CRH and ValenzaBio attached hereto as Schedule 8, which has been assigned to Licensee as of the Effective Date. Except for the Non-Exclusive Licensed Rights in relation to which the Licence is non-exclusive, the Licence is exclusive. For the avoidance of doubt, CRH shall be free to grant non-exclusive licences to third parties under the Non-Exclusive Licensed Rights.

2.2 Scope of Licence.

The Licensee shall not do or procure or purport to authorise the doing of any act within the scope of the Licensed Rights other than as permitted in this Agreement. No licence to use any Intellectual Property is granted to the Licensee, any Sub-Licensee or Affiliate of the Licensee or any Sub-Licensee or implied except the rights expressly granted in this Agreement. For the avoidance of doubt, nothing in this Agreement shall permit the Licensee to Exploit Licensed products or Licensed Rights for any purpose associated with Oncology Indications and CRH reserves fully its rights to grant exclusive licences in relation to any and all rights outside the Field (including in any one or more Oncology Indication).

2.3 CRH hereby reserves and excepts from the licence under Clause 2.1 the worldwide, fully paid up, perpetual and irrevocable right in and to Licensed Rights and Foreground Product-Specific Intellectual Property for CRH, the Charity (including use by scientists funded and employed by the Charity) to:

2.3.1 use the Licensed Rights and Foreground Product-Specific Intellectual Property for the purpose of non-commercial, non-clinical scientific research carried out by or for or under their respective direction in accordance with their respective charitable and academic status, whether alone or in collaboration with others and whether sponsored or funded, in whole or in part, by any person including a commercial entity. For the avoidance of doubt, CRH shall be at liberty itself, and free to permit the Charity and any third party, to pursue any research and development outside of the Field using the Licensed Rights, provided that if CRH or the Charity intends to conduct (itself or through any third party) any clinical research using the Licensed Rights outside the Field, CRH shall notify Licensee and the Parties shall determine the necessity and timing for the execution of a separate pharmacovigilance agreement specifying the procedure for the information exchange of safety data and adverse events that enable each Party to meet reporting requirements under applicable law and/or the requirements of Competent Authorities; and

2.3.2 make publications in relation to the Licensed Rights and any results of research conducted by CRH or the Charity using the same and/or using the Foreground Product-Specific Intellectual Property in accordance with generally accepted academic practice and subject in each case to the publication procedure in Clause 12;

2.3.3 transfer the Licensed Materials and samples of Materials which are the subject of the Licensed Patents and Foreground Product-Specific Intellectual Property to academic or other not-for-profit third parties solely for the purpose of non-commercial, non-clinical research; and

2.3.4 grant licences under, and make available, the Licensed Rights and Foreground Product-Specific Intellectual Property solely to the extent necessary to exercise its rights pursuant to Clauses 2.3.1 to 2.3.3 (inclusive), but not otherwise.

2.4 Rights to Sub-Licence.

The Licensee may grant sub-licences in respect of the rights granted under this Agreement subject to each of Clause 2.4.1 to 2.4.7 (inclusive):

2.4.1 CRH's prior written consent is obtained;

2.4.2 the Licensee may not grant a sub-licence that permits further sub-licensing;

2.4.3 each sub-licence shall, and shall be expressed in each sub-licence agreement to, terminate automatically on the termination of this Agreement for any reason;

2.4.4 the Licensee shall ensure that each sub-licence agreement includes substantially equivalent obligations and undertakings on the Sub-Licensee to those that apply to the Licensee in this Agreement (except this Clause 2.4), including Clauses: 3, 4.5 (payment to CRH of royalties on sales of Licensed Products made by Sub-Licensees) (performance), 7 (patents), 9 (indemnity), 13 (confidentiality) and 15.1 and 15.3 (CRH's rights on termination), and the Licensee shall procure that all Sub-Licensees duly comply with the same;

2.4.5 no Sub-Licence may be granted under the Licence to a Tobacco Party;

2.4.6 within thirty (30) days of executing each sub-licence agreement, the Licensee shall, at the Licensee's expense, provide CRH with a full and true copy of that sub-licence agreement; and

2.4.7 other than sub-licences granted by the Licensee to its Affiliates, each sub-licence must be entered into on an arms-length basis reflecting the market value of the rights granted.

2.5 Service Providers.

Clause 2.4 (with the exception of Clause 2.4.5 which shall apply) shall not apply to any contract the Licensee or its Sub-Licensee enters into with any Third Party Service Provider that it:

2.5.1 relates to the provision of research, development or manufacturing services to the Licensee or Sub-Licensee; and

2.5.2 does not grant any right to the Third Party Service Provider to either:

a) research, develop or manufacture its own products; or

b) sell Licensed Products.

2.6 General.

2.6.1 Any breach of Clause 2.4 shall be a material breach.

2.6.2 The grant of any Sub-Licence shall be without prejudice to the Licensee's obligations under this Agreement. Any act or omission of any Sub-Licensee or Third Party Service Provider that, if it were the act or omission of the Licensee would be a breach of any provision of this Agreement, shall be a breach of that provision of this Agreement by the Licensee, who shall be liable to CRH accordingly.

2.6.3 Subject to Clause 17A, the Licence is non-transferable.

3. PERFORMANCE

3.1 Development Plan. The Licensee shall comply with the Development Plan and use Commercially Reasonable Efforts to perform all activities in accordance with, and within the time lines, set forth in the Development Plan. In consultation with CRH and without making changes that materially lessen the Licensee's obligations to perform any Key Activity, the Licensee shall update regularly (and no less frequently than twice in a Year) the Development Plan.

3.2 Development. The Licensee shall:

3.2.1 [***]

3.2.2 [***]

3.3 The Licensee shall use Commercially Reasonable Efforts to:

3.3.1 [***]

3.3.2 [***]

3.3.3 [***]

3.4 Status. The breach by the Licensee of any of Clauses 3.1 to 3.3 (inclusive) shall be a material breach of this Agreement.

3.5 Reporting.

The Licensee shall:

3.5.1 provide CRH with a Progress Report:

a) at least once every [***] until the Licensee has provided to CRH a summary of the results of the first completed Phase I Trial; and

b) at least once every [***] thereafter;

3.5.2 promptly respond to any queries that CRH may have following receipt of a Progress Report; and

3.5.3 at CRH's request, meet with CRH (either in person or by teleconference if a face-to-face meeting is not practical), within [***] of CRH's request, to discuss the content of a particular Progress Report.

3.6 Activities. The Licensee shall, at its own cost, obtain and maintain all Regulatory Authorisations necessary to Exploit the Licensed Rights and Licensed Products, and perform its obligations, in accordance with this Agreement.

3.7 Escalation.

If at any time during the development or commercialisation of a Licensed Product, the Licensee fails to meet one or more of its obligations under Clauses 3.1 to 3.3 (inclusive) in relation to such Licensed Product for a period of sixty (60) days or more, then:

3.7.1 CRH may give written notice to the Licensee requesting detailed written justification for such failure;

3.7.2 the Licensee shall provide such detailed written justification to CRH within [***] of the date of CRH's request and shall take substantive steps to remedy such failure within [***] of the date of CRH's request;

3.7.3 if the Licensee fails to provide such justification to CRH within [***] of the date of CRH's request or take substantive steps to remedy such failure within [***] of the date of CRH's request, then, on notice by CRH to the Licensee (to be given in CRH's sole discretion), this Agreement will terminate in respect of the relevant Licensed Product; and

3.7.4 any dispute between the Parties as to whether a diligence failure has arisen or whether substantive steps have been taken to remedy a diligence failure shall be resolved by the Expert.

4. CONSIDERATION

Signature Fee.

4.1 The Licensee shall pay [***] (the "**Signature Fee**") to CRH within [***] of the Effective Date.

Annual Fee

4.2 The Licensee shall pay the Annual Fee to CRH within [***] of each anniversary of the Effective Date. The Annual Fee shall not be creditable against any other payment due under this Agreement.

Milestone Payments.

4.3 The Licensee shall pay to CRH each of the payments set out in Schedule 7 (each a "**Milestone Payment**") upon the first occurrence of the corresponding event described in that Schedule 7 (each a "**Milestone Event**"). Each Milestone Payment is payable per Indication as described in Schedule 7.

4.4 Milestone Triggers:

4.4.1 A Milestone Event may be triggered by the actions of the Licensee, its Sub-Licensees or any person acting on behalf of the Licensee or its Sub-Licensees (including an Affiliate of either of them).

4.4.2 Milestone Events may be triggered by the second and any subsequent Licensed Product in respect of an Indication.

4.4.3 If any Milestone Event in relation to a certain Indication is achieved before any previous Milestone Payment in respect of that Indication has been paid (for example, Marketing Authorisation is obtained without the need for a Phase III Trial) then all previously unpaid Milestone Payments in respect of that Indication shall become due and payable upon occurrence of the later Milestone Event.

4.4.4 A marketing Authorisation may be submitted in respect of the entire European Union (through a Competent Authority such as the European Medicines Agency) or in respect of one or more individual countries within the European Union (through the Competent Authorities of each such country).

4.4.5 Each Milestone Payment is distinct, and each is payable in addition to, and not instead of, any other applicable Milestone Payment.

Royalties.

4.5 The Licensee shall pay royalties to CRH on a Licensed Product by Licensed Product, and country by country, basis:

4.5.1 until the later of:

a) the date when the Licensed Product is no longer Covered by a Valid Claim of a Licensed Patent in the country of sale or manufacture;

b) the tenth (10th) anniversary of the date of the First Commercial Sale of that Licensed Product in the relevant country; and

c) the expiry of any Extended Exclusivity Period for that Licensed Product in the relevant country,

4.5.2 at the following royalty rates, which shall apply to the respective tiers of aggregate Net Sales of all Licensed Products achieved across all Indications in a given Year:

a) [***] on that portion of Net Sales that is [***]

b) [***] on that portion of Net Sales that is [***] and

c) [***] on that portion of Net Sales that is [***]

Sub-licence revenue

4.6 Subject to Clause 4.8, the Licensee shall pay to CRH:

4.6.1 [***] of Sub-Licence Revenue, if the relevant sub-licence is granted by the Licensee [***]

4.6.2 [***] of Sub-Licence Revenue, if the relevant Sub-Licence is granted by the Licensee [***] and

4.6.3 [***] of Sub-Licence Revenue, if the relevant Sub-Licence is granted by the Licensee [***]

General.

4.7 In the event that any Milestone Event is triggered by a Sub-Licensee, the Licensee shall pay to

CRH the greater of the Milestone Payment due under Clause 4.3 or the payment due in respect of such Milestone Event under Clause 4.6 or 4.7 (if any) but not both.

4.8 No payment due under this Clause 4 (whether the Signature Fee, any Milestone Payment or any royalty) payable to CRH by the Licensee is refundable or creditable against any other sum payable under this Agreement.

4.9 No reduction to royalty or other payments due to CRH from the Licensee under this Agreement shall be applied, including in circumstances in which the Licensee or any Sub-Licensee acquires the rights (by licence or otherwise) to any Intellectual Property Controlled by a third party, or Licensed Products are sold by the Licensee or any Sub-Licensee in combination with any other product.

5. PAYMENT AND STATEMENT

5.1 All payments due to CRH under this Agreement shall be made in pounds sterling (£) in cleared funds to the following bank account:

Account name:	[***]
Account number:	[***]
Sort code:	[***]
IBAN:	[***]
BIC:	[***]
Address:	[***]

or any other account that CRH notifies to the Licensee from time to time.

5.2 The Licensee shall pay to CRH:

5.2.1 the Signature Fee on the date specified in Clause 4.1;

5.2.2 each Milestone Payment within [***] of the corresponding Milestone Event occurring;

5.2.3 the royalties due under Clause 4.5, Quarterly within [***] days of the end of each Quarter in which the relevant Net Sales are invoiced by the Licensee or a Sub-Licensee; and

5.2.4 As provided in Clause 7.2, Patent Costs, within [***] of receipt of an invoice for the same from CRH.

5.3 If any Licensed Products are sold in a currency other than United States Dollars (US$), the rate of exchange to be used for converting that other currency into United States Dollars (US$) shall be the relevant mid-spot rate quoted by the Financial Times on the last day (other than Saturday, Sunday or any public holiday in the United States recognised by Federal law or in the United Kingdom) of the Quarter to which they relate.

5.4 The Licensee shall bear all costs of transmission and currency conversion relating to payments made under this Agreement.

5.5 All payments to CRH under this Agreement are expressed to be exclusive of value added tax howsoever arising. If CRH is liable to pay value added tax in relation to any supply made or deemed to have been made for value added tax purposes pursuant to this Agreement, the Licensee shall pay that value added tax to CRH at the same time as, and in addition to, the payment(s) to which the tax relates or, if earlier, on receipt of a tax invoice or invoices from CRH.

5.6 The Licensee shall pay all sums due under this Agreement without deduction or deferment in respect of any disputes or claims whatsoever and in respect of any taxes except any tax which the Licensee is required by law to deduct or withhold. If the Licensee is required by law to make any tax deduction or withholding, the Licensee shall give reasonable assistance to CRH to claim exemption from or (if that is not possible) a credit for the deduction or withholding under any applicable double taxation or similar agreement from time to time in force. The Licensee shall promptly give CRH proper evidence as to any deduction or withholding and payment over of the tax deducted or withheld.

5.7 If CRH does not receive any payment of any sums due to it by the due date, interest shall accrue both before and after any judgement on the sum due and owing to CRH at an annual rate of [***] over the then current base rate of Natwest Bank Plc, calculated on a daily basis, until the full amount is paid to CRH, without prejudice to CRH's right to receive payment on the due date.

5.8 Within [***] after the end of each Quarter, the Licensee shall send to CRH a written statement detailing in respect of that Quarter (including a nil report if appropriate):

5.8.1 all Milestone Events achieved by it or any Sub-Licensee and all Milestone Payments which became due to CRH;

5.8.2 the quantity of each type of Licensed Product sold or otherwise disposed of by the Licensee or each Sub-Licensee in each country in the Territory;

5.8.3 the Net Sales in respect of each such type of Licensed Product in each country of the Territory;

5.8.4 the aggregate Net Sales in respect of that Quarter for Licensed Product;

5.8.5 the type and value of deductions made in the calculation of Net Sales by type of Licensed Product and country;

5.8.6 any currency conversions made in accordance with Clause 5.3, showing the rates used; and

5.8.7 the amount of the royalties due to CRH in respect of that Quarter.

5.9 The Licensee shall notify CRH in writing of the occurrence of each Milestone Event within [***] of that Milestone Event occurring.

6. ACCOUNTS AND RECORDS

6.1 The Licensee shall:

6.1.1 keep and irrespective of the expiry or termination of this Agreement, maintain (and shall procure that each Sub-Licensee keeps and maintains) for at least [***] true and accurate accounts and records (including any underlying documents supporting such accounts and records) in sufficient detail to enable the amount of all sums payable under this Agreement to be determined; and

6.1.2 during the Term and thereafter until the said period of [***] relevant to the accounts and records has expired, at the reasonable request of CRH and (subject to Clause 7.2) at the expense of CRH from time to time, permit or procure permission for a qualified accountant nominated by CRH to inspect and audit those accounts and records and, to the extent that they relate to the calculation of those sums, to take copies of them. Subject to receiving not less than [***] prior written notice, the Licensee shall at the request of CRH assemble in one location all such relevant accounts and records of the Licensee and Sub-Licensees.

6.2 If, following any inspection pursuant to Clause 6.1.2, CRH's nominated accountant confirms to CRH that the payments in respect of any Quarter or Year fall short of the sums which were properly payable in respect of that Quarter or Year under this Agreement, CRH shall send a copy of the certificate to the Licensee and the Licensee shall (subject to Clause 6.3) within [***] of the date of receipt of the certificate pay the shortfall to CRH and, if the shortfall exceeds [***] of the sum properly payable, the Licensee shall also reimburse to CRH the reasonable costs and expenses of CRH in making the inspection.

6.3 If, within [***] of the date of receipt by the Licensee any certificate produced pursuant to Clause 6.2, the Licensee notifies CRH in writing that it disputes the certificate, the dispute shall be referred for resolution by the Expert in accordance with Clause 26.3.

7. INTELLECTUAL PROPERTY MANAGEMENT

7.1 Ownership. The ownership of the Licensed Patents shall at all times remain unaffected by this Agreement (and vested in and owned by CRH). The ownership of any and all Foreground General Intellectual Property and Foreground Product-Specific Intellectual Property shall vest in the Licensee.

7.2 Patent Costs and Material Costs reimbursement. The Licensee shall within [***] reimburse CRH in respect of any Patent Costs incurred up to and including the Effective Date as set forth in Schedule 6. All Patent Costs incurred after the Effective Date shall be met solely by the Licensee and the Licensee shall reimburse CRH within [***] of an invoice for the same from CRH. All Material Costs incurred after the Effective Date shall be met solely by the Licensee and the Licensee shall reimburse CRH within [***] days of an invoice for the same from CRH; provided that Material Costs shall not exceed in the aggregate [***] in any Year without the prior written consent of Licensee. CRH shall send invoices for Patent Costs and Material Costs for each Quarter within [***] following the end of each Quarter.

7.3 Filing, Prosecution and Maintenance. Subject to reimbursement of Patent Costs under Clause, CRH shall file, prosecute and maintain Licensed Patents in consultation with the Licensee and as necessary for maintenance of such patents. CRH shall keep the Licensee reasonably informed in writing as to the prosecution and maintenance status of the Licensed Patents. As between the Parties, the Licensee shall file, prosecute and maintain Patents included in Foreground Product-Specific Intellectual Property and Foreground General Intellectual Property at its discretion, provided that if the Licensee decides to abandon the further prosecution or maintenance of any such Patent included in the Foreground Product-Specific Intellectual Property, reasonably (and at least 60 days) prior to any applicable timebar relating to the prosecution and maintenance of such Patent, the Licensee shall notify CRH and, subject to any prosecution and maintenance rights granted by the Licensee to a Sub-Licensee with respect to such Patent, CRH shall have the right at its absolute discretion to assume responsibility for the further prosecution and maintenance of any such Patent at CRH's cost. If Licensee determines to abandon any such Patent as described in the foregoing sentence, then, subject to any rights granted by the Licensee to a Sub-Licensee with respect to such Patent, upon CRH's request the Parties shall discuss in good faith whether to assign such Patent to CRH. Such Patent shall be excluded from the Licensed Rights and Non-Exclusive Licensed Rights, and the rights granted to the Licensee pursuant to Clause 2 with respect to such Patent shall terminate.

7.4 The Licensee will notify CRH in writing as soon as it becomes aware that any claim is made or threatened against the Licensee, a Sub-Licensee or an Affiliate of either of them by any person that the exercise by the Licensee, a Sub-Licensee or an Affiliate of either of them, of the rights granted pursuant to this Agreement infringe any patent or other rights of any third party.

7.5 In the event of the circumstances described in Clause 7.4 arising, the Licensee shall take such steps as may be necessary in order to terminate such infringement or otherwise to remedy the position and shall report to CRH on the steps taken.

7.6 Each Party will promptly notify the other Party in writing as soon as it becomes aware of any infringement or suspected infringement by a third party of any of the Licensed Patents or any unauthorised use of the Licensed Know How or the Licensed Materials.

7.7 Provided the Licensee has a licence under this Agreement in relation to the relevant Licensed Patent and country (and where local law permits), within such country the Licensee may:

7.7.1 at its own cost and subject to Clause 7.8, bring proceedings against a third party in its own name or, if required by law, jointly with CRH, for infringement of the Licensed Patents in the Field; and

7.7.2 in any such proceedings settle any claim for infringement of the Licensed Patents in the Field, provided it obtains the prior written consent of CRH which shall not be unreasonably withheld or delayed.

Any damages, profits, and awards of whatever nature recovered by the Licensee for such infringement shall be treated as Net Sales subject to a deduction for the Licensee's reasonable external legal expenses insofar as these are not recovered from a third party. In any such proceedings, CRH shall, at the Licensee's cost, promptly provide the Licensee with all documents and assistance as the Licensee may reasonably require. The Licensee shall promptly provide CRH with notice of such proceedings and keep CRH regularly informed of progress and promptly provide CRH with such information as CRH may require including copies of all documents filed at court in the proceedings.

7.8 If the Licensee does not exercise its right to bring proceedings pursuant to Clause 7.7 within thirty (30) days of the written notification pursuant to Clause 7.6 or such longer period as may be agreed by the Parties then CRH shall be entitled, but not obliged to bring such proceedings at its own cost. If necessary, (including to recover damages), the Licensee shall join in such proceedings. CRH shall be entitled to all monies recovered in such proceedings. In any such proceedings the Licensee shall promptly provide CRH with all documents and assistance as CRH may reasonably require and CRH shall promptly provide the Licensee with notice of such proceedings.

7.9 The Parties shall, at the request of either of them and at the expense of the requesting Party but for no further consideration, enter into such confirmatory patent licences relating to the Licensed Patents, substantially in the form set out in Schedule 4, as may be necessary or desirable in accordance with the relevant law and practice in each country in the Territory for registration at the relevant patent offices so that this Agreement need not be registered or recorded unless the Parties are required to do so by law. If there are any inconsistencies between the terms of any such confirmatory patent licence and the provisions of this Agreement, this Agreement shall prevail.

7.10 With respect to each Licensed Product, the Licensee shall, at the time of receipt of the relevant Regulatory Approval, or such other time as appropriate, apply for a Supplementary Protection Certificate, patent term extension and/or any other exclusivity in respect of such Licensed Product. At the Licensee's reasonable request and sole cost, CRH will provide reasonable assistance to the Licensee in connection with any such applications.

8. WARRANTY

8.1 Each Party acknowledges that it does not enter into this Agreement in reliance on any warranty or other provision except as expressly provided in this Agreement and all conditions, warranties, terms and undertakings implied by statute, common law or otherwise are excluded from this Agreement to the fullest extent permissible by law.

8.2 CRH confirms that to the best of CRH's knowledge the data contained within the documents clinical study report and IMPD sent to ValenzaBio on respectively 12 December 2019 and 22 August 2019 were prepared and generated in accordance with all the applicable laws and the requirements of Competent Authorities.

8.3 CRH confirms that, according to the Merck Agreement, CRH has the necessary rights to grant the licences to the Licensee under the terms of this Agreement.

8.4 Without limiting the scope of Clause 8.1, CRH does not give any warranty, representation or undertaking in relation to the Licensed Rights, including any warranty, representation or undertaking:

8.4.1 as to the efficacy, usefulness, completeness or accuracy of the Licensed Rights; or

8.4.2 except as expressly provided in Clause 8.3, that it owns all necessary property and other rights in the Licensed Rights; or

8.4.3 that any of the Licensed Patents is or will be valid or subsisting or that any of the applications within the Licensed Patents will proceed to grant; or

8.4.4 that the use of any Licensed Rights, including without limitation any invention claimed in a Licensed Patent, or the exercise of any rights granted under this Agreement will not infringe the Intellectual Property or other rights of any other person.

8.5 CRH's aggregate liability for breach of warranty shall be subject to Clause 11.2.

9. <u>INDEMNITY</u>.

9.1 The Licensee hereby agrees to indemnify each Indemnified Party from and against any and all liability, loss, damage, cost or expense (including reasonable legal fees) (collectively, "**Losses**") arising that the Indemnified Party may suffer, incur or sustain as a result of any and all third party claims, demands, and proceedings to the extent arising from or caused by (a) the exercise by the Licensee or a Sub-Licensee of the rights granted under the Licence or (b) the actions of

the Licensee, a Sub-Licensee or an Affiliate or Third Party Service Provider of either of them in each case in relation to such Licensee's, Sub-Licensee's, Affiliate's, or Third Party Service Provider's Exploitation of a Licensed Product (including without limitation any anti-trust proceedings commenced by a third party (for example, alleging that the price of any Licensed Product has been kept artificially high through the maintenance of Patents which are invalid and/or unenforceable for any reason); except in each case (a) and (b) to the extent such Losses arise as a consequence of: (i) any wrongful act or wrongful omission or negligence of any Indemnified Party; (ii) a breach of this Agreement by CRH; or, (iii) subject and without prejudice to Clause 20, a misrepresentation by CRH.

9.2 Process.

9.2.1 Promptly after receipt by CRH of any claim or alleged claim or notice of the commencement of any action, administrative or legal proceeding, or investigation to which the indemnity given in this Clause 9 may apply, CRH shall give written notice to the Licensee of such fact and the Licensee shall, so far as the claim affects CRH, have the option to assume the defence thereof by election in writing within seven (7) days of receipt of CRH's notice.

9.2.2 If the Licensee fails to make such election, CRH may assume such defence and the Licensee will be liable for the legal and other expenses consequently incurred in connection with such defence.

9.2.3 The Parties shall co-operate in good faith in the conduct of any defence, shall provide such reasonable assistance as may be required to enable any claim to be defended properly and the Party with conduct of the action shall promptly provide to the other Party copies of all correspondence and documents and notice in writing of the substance of all oral communications relating to such action.

9.3 Defence.

Should the Licensee assume conduct of the defence:

9.3.1 CRH (or any other Indemnified Party if they agree that the Licensee may assume conduct of defence) may retain separate legal advisers, at its sole cost and expense save that if the Licensee denies the applicability of the indemnity or reserves its position in relation to the same, the indemnity in this Clause 10 shall extend to the Indemnified Party's costs and expenses so incurred; and

9.3.2 the Licensee will not, except with the written consent of the CRH (or any other Indemnified Party if they agree that the Licensee may assume conduct of defence) consent to the entry of any judgment or enter into any settlement provided always, that if the Indemnified Party shall not consent to such entry of judgment or settlement, the amount which the Indemnified Party shall be entitled to recover from the Licensee pursuant to this Clause 9 shall be limited to the amount for which the action would otherwise have been settled or compromised; and

9.3.3 CRH shall not admit liability in respect of, or compromise or settle any such action without the prior written consent of the Licensee, such consent not to be unreasonably withheld, conditioned or delayed.

10. INSURANCE

10.1 Scope. At its own cost, the Licensee shall put in place and thereafter maintain comprehensive product liability insurance, clinical trials insurance and general commercial liability insurance through a reputable insurance company or through industry-standard self-insurance arrangements which shall be reasonably sufficient in scope and financial limits in light of the relevant stage of Exploitation of the Licensed Product. For the avoidance of doubt, whilst clinical trial insurance shall be maintained by the Licensee for each and every clinical trial of the Licensed Product conducted by or on behalf of the Licensee, the Licensee shall not be expected to procure product liability insurance prior to receipt of Marketing Authorisation of the first Licensed Product. For clarity, the Licensee's failure to secure appropriate insurance coverage will not be construed to limit the Licensee's liability obligations under this Agreement.

10.2 Evidence. The Licensee shall:

10.2.1 cooperate in good faith with CRH, upon CRH's request, to explore the possibility of whether CRH's interest can reasonably be noted on each policy and, upon CRH's request from time to time, provide CRH with a certificate evidencing the coverage required under this Agreement, and the amount of coverage under the relevant policy or policies; or

10.2.2 provide CRH will full details of the self-insurance arrangements.

10.3 Duration. The Licensee shall maintain the insurance obliged to be maintained under Clause 10.1 for not less than [***] following the expiry or termination of this Agreement for any reason.

11. LIMITATION OF LIABILITY

Subject to Clause 11.3, neither Party, nor any Indemnified Party, shall have any liability under or in connection with this Agreement whether under statute or in tort (including negligence), contract or otherwise in respect of any:

11.1.1 consequential loss;

11.1.2 indirect loss;

11.1.3 loss of goodwill;

11.1.4 loss of opportunity;

11.1.5 loss of profit; or

11.1.6 loss of contract,

in each case even if advised in advance of the possibility of such losses.

11.2 Subject to Clause 11.3 and 11.4, CRH's liability under or in connection with this Agreement shall not exceed [***] in aggregate for any and all claims made under, for breach of or in connection with this Agreement.

11.3 Nothing in this Agreement shall be construed as excluding or limiting the liability of any person for any liability which cannot be limited or excluded by law.

11.4 Neither Party shall have any right to offset or credit any amounts due and payable under this Agreement against any other amounts due and payable to another Party under this Agreement.

12. PUBLICATION

12.1 Role. The Parties acknowledge the importance of publications to the academic standing of the Charity and the University. Accordingly the Licensee and CRH have agreed to use reasonable efforts to facilitate the early publication of certain results comprised in any Licensed Rights.

12.2 Process. This Clause 12.2 relates to publications that disclose (i) any Foreground Product Specific Intellectual Property or (ii) Licensed Know How that at the time of proposed publication are confidential, and that in each case CRH, the Charity or the Licensee wish to make:

12.2.1 The proposed publication shall be sent to Chief Executive Officer of the Licensee and the Chief Executive Officer of CRH (the "**Reviewer**"), or their subsequent replacement, for review prior to submission for publication.

12.2.2 The Reviewer shall review the same within thirty (30) days of their receipt.

12.2.3 The Licensee may request that publication is delayed for a period not exceeding sixty (60) days having regard to the patentability of the proposed subject matter of disclosure and the value of such information as secret and confidential information, provided always that:

a) no scientific paper shall be restricted for publication to the extent that it contains information which is also contained in a Patent application, the specification of which has been published;

b) the publication of any scientific paper may not be delayed for more than ninety (90) days of receipt of the manuscript by the Reviewer pursuant to Clause 12.2.2; and

c) Confidential Information of a Party be removed from the proposed publication or presentation at that Party's request.

12.3 Acknowledgement. In each publication it makes, or any Sub-Licensee makes, pursuant to this

Clause 14, the Licensee shall (and shall procure that each Sub-Licensee shall) acknowledge the contributions made by the Charity.

13. CONFIDENTIALITY

13.1 Each Party (the "**Receiving Party**") undertakes with the other Party (the "**Disclosing Party**") that it shall keep, and it shall procure that its and its Affiliates' respective directors, officers, employees and agents (collectively, "**Representatives**") shall keep, secret and confidential all Confidential Information of the Disclosing Party and shall not publish or disclose the same or any part of the same to any person whatsoever other than:

13.1.1 in the case of the Licensee to:

a) Sub-Licensees and Third Party Service Providers, subject to compliance with Clause 2.4;

b) Competent Authorities in the Territory as necessary in communications relating to the Licensed Products; and

c) bona fide potential Sub-Licensees and potential Third Party Service Providers, provided that any such persons have agreed to be bound by a legal obligation of confidentiality no less restrictive than that set forth in this Clause 13 and any disclosure or use of Confidential Information by any such person which would constitute a breach of this Agreement if done by the Licensee will be deemed to be a breach of this Agreement by the Licensee, who will be liable to CRH accordingly; and

13.1.2 in the case of each Party, to its Representatives directly or indirectly concerned in the exercise of the rights granted under this Agreement.

13.1.3 in the case of CRH, to any CRH Reviewer.

13.2 Each Party shall ensure that each of its Representatives to whom any Confidential Information is disclosed shall previously have been informed of the confidential nature of the Confidential Information and shall have agreed to be bound by a legal obligation of confidentiality no less restrictive than that set forth in this Clause 13.

13.3 The provisions of Clauses 13.1 and 13.2 shall not apply to Confidential Information that:

13.3.1 the Receiving Party can demonstrate by reference to written records to have been in its possession (other than under an obligation of confidence to the Disclosing Party or to a third party) at the date of receipt;

13.3.2 enters the public domain otherwise than through a breach of any obligation of confidentiality owed to the Disclosing Party; or

13.3.3 the Receiving Party can prove it has independently developed without direct or indirect access to any of the Disclosing Party's Confidential Information.

13.4 The Receiving Party may disclose Confidential Information to the extent that such disclosure is:

13.4.1 necessarily required of the Receiving Party by order of a Competent Authority or otherwise by applicable law; provided, that the Receiving Party shall, to the extent practicable, first have given notice to the Disclosing Party and given the Disclosing Party a reasonable opportunity to quash any such order or obtain a protective order requiring that the Confidential Information the subject of such order be held in confidence by such Competent Authority or, if disclosed, be used only for the purpose for which the order was issued; and provided further that if such order is not quashed or a protective order is not obtained, the Confidential Information disclosed in response to such order shall be limited to that information that is legally required to be disclosed in response to such order;

13.4.2 made by the Receiving Party to a patent authority as may be necessary or useful for the purposes of obtaining or enforcing a Licensed Patent (consistent with Clause 7), provided, however, that reasonable measures shall be taken to assure confidential treatment of such information, to the extent such protection is available; or

13.4.3 required with regard to the disclosure requirements of a national securities exchange or other stock market or of a related regulatory body on which the Receiving Party's securities are or are proposed to be traded, provided it has used reasonable endeavours in the time available to provide notice to the Disclosing Party of the terms of any such disclosure beforehand.

13.5 Insofar as the Receiving Party believes that any of Clause 13.4.1, 13.4.2 or 13.4.3 apply to Confidential Information, it shall notify the Disclosing Party at the earliest opportunity.

13.6 The Receiving Party agrees that the disclosure of the Disclosing Party's Confidential Information without the express written consent of the Disclosing Party may cause irreparable harm to the Disclosing Party, and that any breach or threatened breach of this Agreement by the Receiving Party may entitle the Disclosing Party to injunctive relief, in addition to any other legal remedies available to it, in any court of competent jurisdiction.

13.7 The provisions of this Clause 13 shall remain in force for a period of [***] from the expiry or termination of this Agreement.

14. TERM AND TERMINATION

14.1 Term. This Agreement will become effective on the Effective Date. Subject to the provisions of this Clause 14 it will remain effective in each country of the Territory until expiry of the obligation upon the Licensee to pay royalties in relation to that country pursuant to this Agreement.

14.2 Termination.

This Agreement may be terminated:

14.2.1 subject to Clause 14.2.2, by a Party on written notice if the other Party is in material breach of any of its obligations under this Agreement, and in the case of a remediable breach the other Party fails to remedy the breach within ninety (90) days of written notice identifying the breach and requiring it to be remedied;

14.2.2 by CRH through the process set forth in Clause 3.7;

14.2.3 by CRH upon thirty (30) days' written notice to the Licensee, if the Licensee, a Sub-Licensee or an Affiliate of either of them challenges or seeks to challenge the validity of any of the Licensed Patent, and the Licensee shall notify CRH in writing immediately any decision to challenge the Licensed Patents which it makes or of which it becomes aware;

14.2.4 by a Party on written notice if the other Party suffers an Insolvency Event; or

14.2.5 by CRH on written notice if the Licensee undergoes a change of Control where the new Controlling party is a Tobacco Party.

14.3 The terminating Party may decide whether termination applies to the entire Agreement or on a Licensed Product-by-Licensed basis only.

14.4 The termination rights set out in Clause 14.2 shall be without prejudice to any other rights or remedies of the Parties.

15. EFFECTS OF TERMINATION

15.1 Subject to Clause 15.2, upon the termination of this Agreement in its entirety (or on a Licensed Product-by-Licensed Product basis) for any reason or its expiry:

15.1.1 payment of royalties and all other sums due to CRH shall become payable to CRH immediately;

15.1.2 the Licensee shall, within [***] of notice of termination or expiry of this Agreement, provide CRH with a final written statement detailing, in respect of the time elapsed since the last report under Clause 5.8, the matters set forth in Clause 5.8;

15.1.3 the Licensee shall consent to the revocation of any confirmatory patent licence relating to the Licensed Patents granted under Clause 7.10 and the cancellation of the registration of any such licence in any register;

15.1.4 the Licensee shall promptly transfer to CRH (or any person nominated by CRH) any and all documents and information in the Licensee's control or possession relating to the Licensed Patents and CRH may assume responsibility for the prosecution and maintenance of the same; and

15.1.5 the Licence shall terminate immediately and the Licensee shall (and shall procure that its Sub-Licensees shall) immediately cease to exploit the Licensed Rights in any way, either directly or indirectly;

15.1.6 the Licensee shall, at the request and option of CRH, return or destroy the Licensed Know How and Licensed Materials in its possession or control.

15.2 Handback Assignment and Licence.

15.2.1 Save where this Agreement is terminated by the Licensee pursuant to Clause 14.2.1 or expires in accordance with its terms, in the event that following the termination of this Agreement in its entirety (as opposed to termination on only a Licensed Product-by-Licensed Product basis or on only an Indication by Indication basis), and CRH desires to proceed with the Exploitation of any Licensed Products, the Licensee hereby:

a) assigns and agrees to assign to CRH any Foreground Product-Specific Intellectual Property existing as of the date of such termination and shall do other acts and things as CRH may reasonably request to vest full title to such Foreground Product-Specific Intellectual Property in CRH; and

b) grants and agrees to grant to CRH, effective only upon the date of any such termination, a non-exclusive, worldwide, sub-licensable, perpetual, irrevocable and fee-bearing (solely as provided in Clause 15.2.2) licence under any Foreground General Intellectual Property existing as of the date of such termination solely to Exploit the Licensed Products (the assignment and licence granted pursuant to this Clause 15.2.1 collectively, the "**Handback Assignment**").

For clarification, the Handback Assignment shall be expressly limited to such Foreground Product-Specific Intellectual Property and such Foreground General Intellectual Property, if any, as would, absent such assignment or licence, be infringed by the manufacture, use or sale of antibodies produced from Master Cell Bank (MCB) materials provided by CRH to Licensee pursuant to this Agreement. CRH shall have the right of first negotiation to acquire a licence under all Foreground Product-Specific Intellectual Property and Foreground General Intellectual Property not subject to the Handback Assignment on commercially reasonable terms. CRH must provide written notice to Licensee within thirty (30) days of the termination described in this Clause 15.2.1 that it is exercising its right of first negotiation. Upon receipt of such notice, the Parties agree to negotiate commercially reasonable terms in good faith for a period of one hundred and twenty (120) days.

15.2.2 Share of Revenue:

a) In consideration for the grant of a Handback Assignment, CRH shall pay to the Licensee a fair and reasonable share of Net Revenue that CRH receives in respect of its Exploitation of the rights granted under that Handback Assignment. The share of Net Revenue payable to the Licensee shall take into account, among other things, the development stage at which the Licensee (or its Sub-Licensee) has reached at the date of termination in respect of the Licensed Product(s) that is or are the subject of the termination and comparable revenue sharing transactions that CRH or the Licensee respectively have entered into;

b) if the share of Net Revenue payable to the Licensee under a Handback Assignment is not agreed within [***] of termination, the matter shall be escalated to the Executive Officers under Clause 26.2 and, if not agreed through escalation, referred to an Expert for determination; and

c) the Parties shall record the determined share of Net Revenue in a separate agreement, which may contain such additional terms as the Parties may agree relating to accounts and records, but nothing in this Clause 15.2.2 shall be construed as meaning or indicating that any Handback Assignment is invalid for lack of certainty as to terms;

15.2.3 the Licensee shall at the Licensee's cost, promptly transfer to CRH (or any person nominated by CRH):

a) any and all documents and information in the Licensee's control or possession relating to the Foreground Product-Specific Intellectual Property and, to the extent reasonably necessary or useful for CRH to Exploit Licensed Products, Foreground General Intellectual Property; and

b) any Regulatory Authorisations, Price Approvals and other permits and applications relating to the Licensed Products, and their Exploitation in the Indications and countries, that are the subject of the termination,

and CRH may assume responsibility for the prosecution and maintenance of the same, to the extent that may be reasonably necessary for CRH to exercise its rights under any Handback Licence.

15.3 The termination of this Agreement howsoever arising will be without prejudice to the rights and duties of either Party accrued prior to termination. The following Clauses will continue to be enforceable notwithstanding termination: Clauses 1, 5 and 6 (each in respect only of payments accruing prior to termination), 7.1, 8.4, 9, 10 (in accordance with Clause 10.3), 11, 13 (in accordance with Clause 13.7), 15 and 17 to 27 (inclusive).

16. FORCE MAJEURE

16.1 If a Party is unable to carry out any of its obligations under this Agreement due to Force Majeure (the "**Non-Performing Party**") this Agreement shall remain in effect but the Non-Performing Party's relevant obligations under this agreement and the relevant obligations of the other Party ("**the Other Party**") under this Agreement shall be suspended for the duration of the circumstance of Force Majeure provided that:

16.1.1 the suspension of performance is of no greater scope than is required by the Force Majeure;

16.1.2 the Non-Performing Party gives the Other Party prompt notice describing the circumstance of Force Majeure, including the nature of the occurrence and its expected duration, and continues to furnish regular reports during the period of Force Majeure;

16.1.3 the Non-Performing Party uses all reasonable efforts to remedy its inability to perform and to mitigate the effects of the circumstance of Force Majeure; and

16.1.4 as soon as practicable after the event which constitutes Force Majeure the Parties shall discuss how best to continue their operations as far as possible in accordance with this Agreement.

16.2 If the Force Majeure continues for three (3) months or more, the Other Party may give thirty (30) days written notice to terminate this Agreement to the Non-Performing Party and termination shall occur if the Force Majeure is continuing at the end of that thirty (30) day notice period.

17. ASSIGNMENT AND SUB-CONTRACTING

17.1 This Agreement shall be binding upon and inure to the benefit of the Parties, their successors and assigns.

17.2 Either Party may assign this Agreement:

17.2.1 with the written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, provided that in the event Licensee assigns this Agreement (other than pursuant to Clause 17.2.2), Licensee shall pay CRH an assignment fee of [***] within thirty (30) days of such assignment; or

17.2.2 without the consent of the other Party, to any successor to all the assets of its business provided:

a) that such successor is not a Tobacco Party; and

b) that it notifies the other Party immediately upon the first public confirmation that an offer has been or is intended to be made by a third party to acquire the assigning Party or all the assets of its business.

17.3 No assignment shall be valid and effective unless and until the assignee shall agree in writing to be bound by the provisions of this Agreement.

17.4 CRH may assign the benefit of this Agreement (but, for the avoidance of doubt, not the burden) in connection with a transaction with an assignee concerning CRH's income arising under this Agreement.

17.5 The Licensee may not sub-contract its obligations under this Agreement to any person other than an Affiliate of the Licensee or a Third Party Service Provider. The Licensee shall ensure that an appropriate written agreement is put in place with each Third Party Service Provider. Any act or omission of an Affiliate of the Licensee or a Third Party Service Provider that, if it were the act or omission of the Licensee would be a breach of any of the provisions of this Agreement, will be deemed to be a breach of this Agreement by the Licensee who will be liable to CRH accordingly. Upon request, the Licensee shall provide CRH with a summary of all arrangements currently in place or being negotiated with Third Party Service Providers.

18. NOTICES

18.1 All notices shall be in writing and sent by hand, facsimile, or airmail and shall be deemed to be properly served:

18.1.1 if sent by hand, when delivered at the relevant address; 18.1.2 if sent by air mail, fourteen (14) days after posting;

18.1.2 if sent by facsimile, when transmitted, provided a confirmatory copy is sent by post within twenty four (24) hours of transmission, and shall be sent to the following addresses or facsimile numbers as may be amended by the relevant Party in writing:

The Licensee:	[***]
	[***]
	[***]
	[***]
For the attention of:	[***]
With cc to:	[***]
	[***]
	[***]
	[***]
For the attention of:	[***]

Any notice should also be sent by e-mail to the following address: Stephen@brightwoodbio.com

CRH:	[***]
	[***]
	[***]
	[***]
For the attention of	[***]

Any notice should also be sent for information by e-mail to: enquiries@cancertechnology.com

19. VARIATION

19.1 No variation, modification, amendment, extension or release from any provision of this Agreement shall be effective unless it is in writing, signed by both Parties.

20. ENTIRE AGREEMENT

20.1 Each Party confirms that this Agreement (including all Schedules) represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto, including the Original Licence.

20.2 Each Party confirms that:

20.2.1 in entering into this Agreement it has not relied on any representation or warranty or undertaking which is not contained in this Agreement; and

20.2.2 without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, neither Party shall be under any liability or shall have any remedy in respect of misrepresentation or untrue statement unless and to the extent that a claim lies under this Agreement.

21. FURTHER ASSURANCE

21.1 Each Party hereby undertakes to do all such other acts and things, and execute and provide all such documents at the other Party's request and cost as may be necessary or desirable to give effect to the purposes of this Agreement.

22. WAIVER

22.1 No relaxation, forbearance, waiver or indulgence by either Party in enforcing any of the terms or conditions of this Agreement or the granting of time by either Party to the other shall prejudice, affect or restrict the rights and powers of such Party, unless contained in a writing signed by the Party charged with such waiver. The waiver of any breach of any term or any condition of this Agreement shall not be construed as a waiver of any subsequent breach of a term or condition of the same or of a different nature.

23. SEVERABILITY

23.1 If the whole or any part of this Agreement is or becomes or is declared illegal, invalid or unenforceable in any jurisdiction for any reason (including by reason of the provisions of any legislation or by reason of any court or Competent Authority):

23.1.1 in the case of the illegality, invalidity or unenforceability of the whole of this Agreement, it shall terminate only in relation to the jurisdiction in question; or

23.1.2 in the case of the illegality, invalidity or unenforceability of a part of this Agreement, that part shall be severed from this Agreement in the jurisdiction in question and that illegality, invalidity or unenforceability shall not in any way whatsoever prejudice or affect the remaining parts of this Agreement, which shall continue in full force and effect and in no circumstances shall sums paid by the Licensee to CRH under this Agreement be repayable.

23.2 If in the reasonable opinion of either Party any severance under this Clause 23 materially affects the commercial basis of this Agreement, the Parties shall discuss, in good faith, ways to eliminate the material effect.

24. EXECUTION

24.1 This Agreement may be executed in any one or more number of counterpart agreements each of which, when executed, shall be deemed to form part of and together constitute this Agreement.

25. ANNOUNCEMENTS AND USE OF NAMES

25.1 Save as provided in Clause 25.2, neither Party shall make, or procure or permit the making of, any press release or other public announcement (including on any website or in any company publication) in relation to this Agreement without first obtaining the written approval of the other Party to any such release or announcement, which shall not unreasonably be withheld, conditioned or delayed.

25.2 Any Party may make an announcement with respect to this Agreement or any ancillary matter if required by law or the regulations of any stock exchange to which it is subject, without the other Party's consent provided it has used reasonable endeavours in the time available to consult with the other Party on the terms of any such announcement beforehand.

25.3 Neither Party shall use the name or marks of the other (including in the case where the other is CRH, that of any Indemnified Party, including the Charity or its successor) other than as provided in Clause 25.1 to 25.3 (inclusive) without the prior written consent of that Party which shall be at that Party's sole discretion.

26. DISPUTE RESOLUTION AND GOVERNING LAW

26.1 Law. This Agreement shall be governed by and construed in accordance with the laws of England and Wales.

26.2 Escalation. If there is a dispute arising under this Agreement between the Parties, either Party shall refer such dispute to the respective Executive Officers, and the Executive Officers shall attempt in good faith to resolve the dispute. If the Parties are unable to resolve a given dispute pursuant to this Clause 26.2 within thirty (30) days of referring the dispute to the Executive Officers, a Party may:

26.2.1 where the dispute relates to Clause 3.7, 6.3 or 15.2.2, have the given dispute settled by an Expert pursuant to Clause 26.3; and

26.2.2 where the dispute relates to the scope, validity, enforceability or infringement of any Patents Covering a Licensed Product, submit the dispute to a court of competent jurisdiction in the country in which such Patents were granted or arose; and

26.2.3 where the dispute does not relate to any matter described in Clause 26.2.1 or 26.2.2, have the given dispute submitted to the exclusive jurisdiction of the English courts.

It shall be a condition precedent to the reference of any dispute to an Expert, or to any action in court or other tribunal (other than an action for an interim injunction) that the Parties have sought to resolve the dispute through their respective Executive Officers under this Clause 26.2.

26.3 Expert.

If a determination of the Expert is sought under this Agreement:

26.3.1 the opinion of that Expert (who shall act as an expert and not as an arbitrator) shall be final and binding on the Parties;

26.3.2 each Party shall make written submissions to the Expert and to the other Party within fourteen (14) days of the Expert's appointment;

26.3.3 each Party shall have fourteen (14) days to respond to the other Party's submissions;

26.3.4 the Parties shall request that the Expert deliver his opinion within a further thirty (30) days; and

26.3.5 the costs associated with the appointment of the Expert shall be borne in such proportions as the Expert may determine to be fair and reasonable in all the circumstances or, if no such determination is made by the Expert, by the Parties in equal proportions.

26.3.6 Costs. Each Party shall bear its own legal fees, costs, and disbursements arising out of the arbitration, and shall pay an equal share of the fees and costs of the arbitrators; provided, however, that the arbitrators shall be authorised to determine whether a Party is the prevailing Party, and if so, to award to that prevailing Party reimbursement for its reasonable attorneys' fees, costs and disbursements (including, for example, expert witness fees and expenses, photocopy charges and travel expenses).

26.3.7 Preliminary Injunctions. Notwithstanding anything in this Agreement to the contrary, a Party may seek a temporary restraining order or a preliminary injunction from any court of competent jurisdiction in order to prevent immediate and irreparable injury, loss, or damage on a provisions basis, pending the decision of the arbitrators on the ultimate merits of any dispute.

26.3.8 Confidentiality. All proceedings and decisions of the arbitrators shall be deemed Confidential Information of each of the Parties, and shall be subject to Clause 13.

27. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

27.1 Save that any Indemnified Party may enforce Clauses 7.7, 9, 10.1 and 12.1, no term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement. Irrespective of this Clause 27, the Parties may amend, suspend, cancel or terminate this Agreement or any part of it in accordance with the terms of this Agreement without the consent of any third party, including those referred to in this Clause 27.

The Parties hereby execute this Agreement by their duly authorised representatives:

For CANCER RESEARCH TECHNOLOGY LIMITED

Signature: /s/ Tony Hickson
Name: Tony Hickson
Title: Chief Business Officer

For TENET MEDICINES, INC.

Signature: /s/ Stephen Thomas
Name: Stephen Thomas
Title: Chief Executive Officer

SCHEDULE 6

[***]

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SCHEDULE 7

[***]

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[***] = CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.

Confidential

Cell Line Development, Manufacturing Services and License Agreement

This Cell Line Development, Manufacturing Services and License Agreement is entered into as of February 9th, 2021 ("Effective Date") between:

ProBioGen AG,

Herbert-Bayer-Str. 8, D-13086 Berlin, Germany

(hereinafter: "ProBioGen")

and

ValenzaBio, Inc.

[***]

(hereinafter: "ValenzaBio")

(ProBioGen and ValenzaBio jointly hereinafter referred to as "Parties" or, in the singular, as "Party")

WHEREAS:

- ProBioGen is a technology and service provider, specialized in development and production of recombinant therapeutic proteins for 3rd parties. ProBioGen is known for high quality, royalty-free services, from stable high producer cell line generation up to GMP-manufacturing of clinical trials supplies;
- ProBioGen AG ("ProBioGen") developed its GlymaxX® ADCC enhancement technology to genetically engineer antibody producer cell lines. This technology is mainly applicable for antibody therapies in cancer indications, in which ADCC plays a major role. The technology is based on stable expression of [***]. This causes the secretion of literally completely [***] with greatly increased [***].

- GlymaxX® can be used to [***]
- ValenzaBio has in-licensed a cell line expressing a therapeutic antibody (VB119). VB119 is [***]. The current producer cell line is [***]. This cell line has reduced expression of [***], leading to [***];
- ValenzaBio seeks the opportunity to switch the expression system and to generate a new [***], which may result in a different [***] Product. The newly expressed VB119 is intended to be similar to the existing investigational candidate. Such a development program may thus benefit from ProBioGen's GlymaxX® ADCC enhancement technology.
- ValenzaBio asked ProBioGen to provide a proposal, describing the process, costs and time lines for [***] applying the GlymaxX® ADCC enhancement technology and to further provide the license terms of the technology;

Now, therefore, in consideration of the mutual covenants and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ValenzaBio and ProBioGen agree as follows:

1. DEFINITIONS

In this Agreement, the following terms will have the following meanings:

1.1 "**Agreement**" means this Cell Line Development, Manufacturing Services and License Agreement including its Appendices and its amendments (if any)

1.2 "**Cell Line**" means the cell line described in **Appendix 2.1**

1.3 "**Clinical Trial**" means any investigation in human subjects intended to discover or verify the clinical, pharmacological and/or other pharmacodynamic effects of any product, or to identify any adverse reactions to any product and/or to study absorption, distribution, metabolism and excretion of any product with the object of ascertaining its safety and/or efficacy

1.4 "**Commercial Product License**" shall have the meaning set out in Section 7.1

1.5 "**Competent Authority**" means any national or local agency, authority, department, inspectorate, minister, ministry official, parliament or public or statutory Person (whether autonomous or not) of any government of any country having jurisdiction over either any of the activities contemplated by this Agreement or the Parties

1.6 "**Confidential Information**" shall mean, any proprietary, non public information related to the business, technology, products, processes or customers of a Party disclosed by a Party and/or its Representatives ("Disclosing Party") to the other Party and/or its Representatives ("Receiving Party") pursuant to this Agreement regardless of the form in which that information is constituted. Confidential Information may include, without limitation, any and all non public information, Know-how, business or financial information and other confidential and proprietary information of the Disclosing Party. Confidential Information may be written, recorded or otherwise fixed in a tangible medium, electronically communicated, or orally or visually communicated, furnished, provided or disclosed by a Disclosing Party, or acquired by a Receiving Party, directly or indirectly, from the Disclosing Party. .

1.7 "**Contract Manufacturing**" shall mean a situation in which ValenzaBio renders services for a Third Party on the development or manufacturing of such Third Parties' products

1.8 "**First Commercial Sale**" means the first commercial sale of any Product by ValenzaBio or a sub-licensee of ValenzaBio after grant of Marketing Authorization.

1.9 "**GLP Toxicology Study**" means a preclinical toxicology study conducted for the purpose of assessing the potential hazards and risks of a pharmaceutical drug product, in accordance with Good Laboratory Practice for Nonclinical Laboratory Studies (GLP) guidelines, promulgated under the US Food and Drug Administrations Code 21CFR Part 58 or in accordance with any other applicable equivalent legislation.

1.10 "**GlymaxX® Technology**" shall mean the technology described in **Appendix 1.10** hereto in the way of application described therein.

1.11 "**Good Laboratory Practices**" (**GLP**) shall have the meaning set forth in United States FDA rules, regulations and guidelines and any other applicable corresponding rules, regulations and guidelines in any other territory.

1.12 "**Good Manufacturing Practice**" (**GMP**)" shall mean the principles and guidelines of good manufacturing practice in respect of medicinal products for human use and investigational medicinal products for human use laid down in (i) Commission Directive 2003/94/EEC of 08 October 2003 and EU Guide to Good Manufacturing Practice for Medicinal Products and for Investigational Medicinal Products in particular with respect to Part II chapter 19 of this Guide, including applicable annexes and (ii) the FD&C Act and the regulations promulgated thereunder, for the manufacture and testing of pharmaceutical materials, including the applicable provisions of 21 C.F.R. Parts 210 and 211.

1.13 "**Improvement**" shall mean any modification, variation or revision to any Biologic, compound, product or technology or any discovery, technology, device, process or formulation related to such compound, product or technology, whether or not patented or patentable, including any enhancement in the efficiency, operation, manufacture, ingredients, preparation, presentation, formulation, means of delivery, packaging or dosage of such compound, product or technology, any discovery or development of any new or expanded indications for such compound, product or technology, or any discovery or development that improves the stability, safety or efficacy of such compound, product or technology.

1.14 "**Indirect Taxes**" shall mean value added taxes, sales taxes, consumption taxes and other similar taxes.

1.15 "**Intellectual Property**" shall mean any Patent, any invention, discovery or finding (whether patentable or not) any registered design, copyright, database right, design right, trademark, application to register any of the aforementioned rights, trade secrets, Know-how, any Improvements to any of the aforesaid, and any right of confidence or industrial property right of any nature whatsoever in any part of the world.

1.16 "**Know-how**" shall mean information, know-how, data, designs, plans, specifications, structures, documents, trade secrets, ideas, concepts, products, methods, processes, prototypes, samples, formulas, applications, works-in-progress, systems, software, technologies, manufacturing or marketing techniques.

1.17 "[***]" means [***], a corporation incorporated [***].

1.18 "**Licensed Know-how**" shall mean [***] and any Know-how relating to [***].

1.19 "**Licensed Patent Rights**" shall mean the ProBioGen Patent Rights and the [***] Patent Rights.

1.20 "[***] **Agreement**" means the Agreement between ProBioGen and [***].

1.21 "[***] **Patent Rights**" shall mean the rights to [***] IP under those Patents [***].

1.22 "**Marketing Authorization**" shall mean any approval required from the US FDA or any other relevant equivalent Competent Authority to market and sell a Product in a particular country.

1.23 "**MCB Generation**" shall mean the generation of a Master Cell Bank for the Product.

1.24 "**Milestone**" shall mean an event described in this Agreement the occurrence of which leads to certain consequences as described in this Agreement.

1.25 "**Net Sales**" shall mean:

(i) With respect to a Product, the annual gross invoiced sales price for a Product sold by ValenzaBio or its Sub-Licensees to a Third Party customer less [***].

(ii) The amounts in subsection (i) above shall be determined from the books and records of ValenzaBio and its Sub-Licensees maintained in accordance with international accounting standards and such amounts shall be calculated using the same accounting principles used for other products of ValenzaBio.

(iii) Sales between ValenzaBio or its Sub-Licensees shall be disregarded until the Product is resold to an unrelated Third Party and only the final sale to such unrelated Third Party shall be included in Net Sales.

(iv) Customary transfers or dispositions, whether or not for consideration, of Products for charitable or promotional purposes or for preclinical, clinical, manufacturing, regulatory or governmental purposes shall not be deemed "sales".

(v) Where (a) Products are sold by ValenzaBio, or its Sub-Licensees other than in an arms-lengths sale or as a number of items without a separate invoice price, or (b) consideration for the Products shall include any non-cash element, the Net Sales applicable to any such transaction shall be deemed to be [***].

1.26 "**Patent**" shall mean a patent or patent application and all national stage applications, divisional, continuations and continuations-in-part, reissues, re-examination certificates, registrations, confirmations, extensions, substitutions, renewals and supplementary protection certificates, and any other foreign counterparts, or other post-issuance counterparts related to any of the aforesaid patents and patent applications, and for the avoidance of doubt any other Patents which disclose the same subject matter as the aforesaid patents and patent applications.

1.27 "**Phase I Clinical Trial**" shall mean a human Clinical Trial in any country that is intended to initially evaluate the safety of a Product in volunteer subjects or patients that would satisfy the requirements of US legislation 21 CFR 312.21(a), or its foreign equivalent and may evaluate the Product's therapeutic or antigenic effects.

1.28 "**Phase II Clinical Trial**" shall mean a small scale human Clinical Trial of a Product on patients, in any country, including possible pharmacokinetic studies, the principle purposes of which are to make a preliminary determination that such product is safe for its intended use and to obtain information about such product's efficacy to permit the design of further clinical trials or a similar clinical study prescribed by the regulatory authorities, from time to time, that would satisfy the requirements of US legislation 21 CFR 312.21(b) or its foreign equivalent.

1.29 "**Phase III Clinical Trial**" shall mean a pivotal human Clinical Trial in any country the results of which could be used to establish safety and efficacy of a Product as a basis for a marketing application that would satisfy the requirements of US legislation 21 CFR 312.21(c) or its foreign equivalent.

1.30 "**ProBioGen Background IP**" shall mean all Intellectual Property rights that (i) ProBioGen holds or controls before the Effective Date and/or (ii) that are developed by ProBioGen independent from the Services under this Agreement.

1.31 "**ProBioGen Deliverables**" means the items developed and delivered to ValenzaBio by ProBioGen as set out in this Agreement. [***].

1.32 "**ProBioGen Patent Rights**" shall mean the [***].

1.33 "**Product**" means the antibody which is in development by ValenzaBio and which is specified in Appendix 1.33. For the avoidance of doubt, [***].

1.34 "**Project**" means the total of the Services described herein

1.35 "**Release**" shall mean the certification by a qualified person that a specific batch of material is in accordance with the relevant requirements

1.36 "**Release of the First Phase I Material**" shall mean the Release of the first quantity of GMP Product drug substance for the first Phase I Clinical Trial.

1.37 "**Release of the First Phase II Material**" shall mean the Release of the first quantity of GMP Product drug substance for the first Phase II Clinical Trial.

1.38 "**Release of the First Phase III Material**" shall mean the Release of the first quantity of GMP Product drug substance for the first Phase III Clinical Trial.

1.39 "**Representatives**" shall mean, with respect to a Party, such Party's Affiliates and each Party's and Party's Affiliates respective directors, officers, employees and agents.

1.40 "**Reverse Engineer**" shall mean the sequencing of the Vector.

1.41 "**Services**" means the services performed by ProBioGen for ValenzaBio as set out in this Agreement and in the Appendices hereto.

1.42 "**Start of GLP Toxicology Study**" shall mean the [***] in the first GLP Toxicology Study for the development of the Product.

1.43 "**Start of Phase I Clinical Trial**" shall mean the [***], whatever (i) or (ii) is earlier.

1.44 "**Start of Phase II Clinical Trial**" shall mean [***], whatever (i) or (ii) is earlier.

1.45 "**Start of Phase III Clinical Trial**" shall mean [***], whatever (i) or (ii) is earlier.

1.46 "**Start of Single Cell Cloning**" shall mean the start of [***] in the Scope of Services (Appendix 2.1 to this Agreement).

1.47 "**Territory**" shall mean all countries worldwide.

1.48 "**Third Parties**" shall mean a Person other than (i) a Party to this Agreement; or (ii) Affiliates of a Party to this Agreement.

1.49 "**ValenzaBio Deliverables**" means the items to be delivered to ProBioGen by ValenzaBio as set out in this Agreement and its Appendices.

1.50 "**Vector**" has the meaning as described in Section 7.3.

1.51 **General on Definitions:** The singular includes the plural and vice versa. Where the context so admits or requires references to "ProBioGen" and "ValenzaBio" shall include their respective employees and agents.

2. SERVICES

2.1 Scope of Services. A detailed description of the Services to be rendered by ProBioGen for the cell line development is made in Appendix 2.1 to this Agreement. [***].

2.2 Subcontracting. ProBioGen will not delegate or subcontract any of its obligations relating to the Services hereunder without ValenzaBio's prior written consent. As an exemption hereto, ProBioGen shall, without a need for further permission by ValenzaBio, be entitled to [***].

2.3 Compliance with Law. ProBioGen will perform its obligations under this Agreement in **a manner that complies with all locally applicable laws or regulations**.

3. VALENZABIO DELIVERABLES

3.1 ValenzaBio Deliverables. ValenzaBio shall, prior to the commencement of the Services by ProBioGen, supply ProBioGen with the ValenzaBio Deliverables as described in Appendix 3.1 to this Agreement.

3.2 Shipment. ValenzaBio shall send the ValenzaBio Deliverables to ProBioGen on [***] and ValenzaBio shall document all ValenzaBio Deliverables in delivery notes. ProBioGen shall check the ValenzaBio Deliverables upon arrival for completeness and for visible defects. ProBioGen shall list the deliveries in a delivery record.

3.3 Rights in Deliverables. The transfer of ValenzaBio Deliverables to ProBioGen shall convey no rights in such ValenzaBio Deliverables to ProBioGen, except for performance of the Services by ProBioGen under this Agreement. All such ValenzaBio Deliverables shall remain the sole property of ValenzaBio. ProBioGen shall not use such ValenzaBio Deliverables for any purpose other than for the Services, and ProBioGen shall, except if permitted under this Agreement, not deliver to or use for the benefit of any Third Party such ValenzaBio Deliverables without the prior written consent of ValenzaBio. ProBioGen shall not use the ValenzaBio Deliverables in research or testing involving human subjects. ProBioGen will return to ValenzaBio or destroy the ValenzaBio Deliverables upon ValenzaBio's request (it being recognized that ProBioGen may, in the course of performing Services, alter, sort and discard portions of and otherwise handle ValenzaBio Deliverables provided by ValenzaBio). ValenzaBio shall, before provision of any ValenzaBio Deliverables to ProBioGen, inform ProBioGen about identity of the ValenzaBio Deliverables and of any safety impacts such ValenzaBio Deliverables may have. ValenzaBio shall issue a written confirmation to ProBioGen that all ValenzaBio Deliverables conform to the agreed standards, that the ValenzaBio Deliverables have been checked at ValenzaBio or its affiliate CDMO and that none of the ValenzaBio Deliverables does fall under a higher security level than the "S 1" level of the applicable German law on genetic engineering.

4. PROBIOGEN DELIVERABLES, SHIPMENT, CHECK AT VALENZABIO

4.1 ProBioGen Deliverables. After successful completion of the Services, ProBioGen shall ship to ValenzaBio the ProBioGen Deliverables as described in Appendix 4.1 to this Agreement. **IT IS EXPLICITLY UNDERSTOOD BY VALENZABIO THAT ANY NON-GMP MATERIAL SUPPLIED BY PROBIOGEN IS NOT TO BE USED IN HUMANS**. Shipment shall be made as soon as ValenzaBio has completely paid the remuneration for the respective Part as agreed in Section 9 below. Shipment shall be made [***]. Costs for shipment and insurance shall be borne by [***]. On ValenzaBio's request, ProBioGen shall care for transport and insurance on ValenzaBio's account. Valen-zaBio shall, upon arrival of the deliverables, diligently check the ProBioGen Deliverables and immediately notify ProBioGen of any defect. Reports shall be of ProBioGen standard-content.

4.2 [***]. As described in the scope of Service (Appendix 2.1), the Cell Line which will be used within this Project is [***]. [***].

5. TIME SCHEDULE

5.1 Time Schedule. **Appendix 5.1** to this Agreement shows the intended time schedule for the Services (the "Time Schedule"). ProBioGen shall use reasonable efforts to achieve all Milestones and Deliverables within the time periods set out in the Time Schedule. However, it is understood by both Parties that the Services are of scientific in nature and that the Time Schedule is an estimate.

6. SITE VISITS AND RECORDS

6.1 Site Visits at ProBioGen. ValenzaBio's authorized representatives may visit ProBioGen's site and facilities at reasonable times previously approved by ProBioGen and with reasonable frequency during normal business hours to: (a) observe the progress of the Services, (b) consult with ProBioGen personnel concerning the Services. It is expected that each such site visit shall not [***] and ProBioGen shall, [***]. During such visits, ValenzaBio agrees to comply with ProBioGen's requirements and procedures relating to safety, security, protection of Confidential Information, and conduct of which Valen-zaBio has received notice.

6.2 ProBioGen to Comply with ValenzaBio's Rules and Regulations. When on any ValenzaBio's site, ProBioGen will comply at all times with ValenzaBio's rules and regulations regarding safety, security, protection of Confidential Information, and conduct of which ProBioGen has received notice.

6.3 Records. ProBioGen's officers, agents, and employees involved in the Services will keep complete, accurate and authentic accounts, notes, data and records (collectively, the "Records") of the Services performed under this Agreement and all results thereof.

6.4 Maintenance of Records. Unless ValenzaBio is in breach of its payment obligations hereunder, ProBioGen will maintain the Records for the Services for at least [***] after the completion of the Services. ProBioGen may destroy any Records in its possession at the end of the [***] period without notice to ValenzaBio.

7. LICENSE TO USE THE GLYMAXX® TECHNOLOGY IN THE PROBIOGEN DELIVERABLES

7.1 Grant of GlymaxX®-License. Upon signature of this Agreement, the commercial license to use ProBioGen's proprietary GlymaxX®-Technology is activated in respect to the Product (the "Activation"). Upon such Activation ProBioGen grants to ValenzaBio, effective upon receipt by ProBioGen of the Activation Fee as set forth in Section 8.1 below and contingent upon receipt of the Milestone payments as set forth below, a commercial nonexclusive license under the Licensed Patent Rights and Licensed Know-how in the Territory to use the Cell Line in which the GlymaxX® Technology is applied for the research, development, manufacture, use, sale and offer for sale, import and export of the Product ("Commercial Product Licence"). The Commercial Product License includes a nonexclusive sublicense by ProBioGen of the [***] Patent Rights; such sublicense is limited to the use by ValenzaBio for the Product which is subject of the Commercial License (the "[***] Sublicense"). The [***] Sublicense shall, if not terminated for cause under Section 15.2 below, remain in force until the last of the [***] Patents has expired.

7.2 Contract Manufacturing Exemption. The Commercial Product License does not include the right to perform Contract Manufacturing and such Contract Manufacturing shall explicitly be excluded from any license granted under this Agreement.

7.3 [***]

8. PAYMENTS FOR THE LICENSE IN THE GLYMAXX® TECHNOLOGY

8.1 Payments for the Commercial Product License. ValenzaBio shall make to ProBioGen the following payments related to the following Milestones. These Milestones are partly depending upon whether or not the Product (Non-GMP or GMP, as the case may be), which is used for the respective Milestone, is manufactured by ProBioGen for ValenzaBio under future agreements. In respect to Milestones which are related to the Start of a Clinical Trial, if a certain Clinical Trial (for example a Phase I Clinical Trial) is not needed, the below Milestone payment for such specific Clinical Trial shall be paid together with the next following Milestone payment. If two or more Clinical Trials are combined, the respective below Milestones for those single Clinical Trials, which are combined, shall be paid together at the Release of the Material for the combined Clinical Trial, but at the latest upon the first dosing of a first patient in such a combined Clinical Trial.

8.1.1 General Milestones:

8.1.1.1 [***]

8.1.1.2 [***]

8.1.2 Milestones that only fall due if the Product (Non-GMP or GMP, as the case may be), which is used for the respective Milestone is manufactured by ProBioGen for ValenzaBio under future agreements:

8.1.2.1 [***]

8.1.2.2 [***]

8.1.2.3 [***]

8.1.2.4 [***]

8.1.2.5 [***]

8.1.3 Milestones that only fall due if the Product (Non-GMP or GMP, as the case may be), which is used for the respective Milestone is not manufactured by ProBioGen for ValenzaBio under future agreements:

8.1.3.1 [***]

8.1.3.2 [***]

8.1.3.3 [***]

8.1.3.4 [***]

8.1.3.5 [***]

8.1.4 General Performance Milestones (due regardless whether or not the manufacture of Product was conducted ProBioGen):

8.1.4.1 Upon the achievement by the Product of annual Net Sales of [***]

8.1.4.2 Upon the achievement by the Product of annual Net Sales of [***]

8.1.4.3 Upon the achievement by the Product of annual Net Sales of [***]

8.2 Payments for the [***] Sublicense. ValenzaBio shall make to ProBioGen the following payments related to the following Milestones:

8.2.1 [***]

8.2.2 [***]

8.3 Information about Milestones reached. ValenzaBio shall immediately inform ProBioGen as soon as a Milestone as set forth in Sections 8.1 or 8.2 above has been reached by ValenzaBio or its Sub-Licensees. Even without information by ValenzaBio, a Milestone shall be considered to be reached if [***]. [***], ValenzaBio shall have [***].

8.4 On-going Information. Until [***], ValenzaBio shall provide ProBioGen with a report describing [***].

8.5 Payment Obligations. [***].

8.6 Payment Status and Payment Term. The payments set out in this Section 8 shall be nonrefundable and each of these payments shall, if not explicitly provided otherwise herein, be due following the occurrence of the respective Milestone relating to the respective payment.

9. PAYMENTS FOR SERVICES

9.1 Fees for Services. For the Services under this Agreement, ValenzaBio shall pay to ProBioGen the non-refundable amounts according to the Parts as set forth in Appendix 9.1 to this Agreement. Appendix 9.1 does also include the amounts to be paid by ValenzaBio to ProBioGen as consideration for [***]. The amounts (in EURO) set forth in Appendix 9.1 and are exclusive of any applicable value added tax or sales tax, which ValenzaBio shall be additionally liable to pay to ProBioGen if such tax is applicable.

9.2 Additional Costs. ValenzaBio shall, in addition to the above mentioned remuneration, reimburse to ProBioGen [***]. ProBioGen will obtain pre-approval from ValenzaBio for such costs and send invoice to ValenzaBio for reimbursement.

10. GENERAL ON PAYMENTS

10.1 Payment. Subject to the terms and conditions of this Agreement, ValenzaBio will pay ProBioGen the amounts set forth in this Agreement within [***] from the receipt by ValenzaBio of a correct invoice.

10.2 Indirect Tax. All payments are exclusive of Indirect Tax. If any Indirect Taxes are chargeable in respect of any Payments, ValenzaBio shall pay such Indirect Taxes at the applicable rate in respect of any such Payments following the receipt, where applicable, of an Indirect Taxes invoice in the appropriate form issued by ProBioGen in respect of those Payments. The Parties shall issue invoices for all amounts payable under this Agreement consistent with Indirect Tax requirements and irrespective of whether the sums may be netted for settlement purposes.

10.3 Withholding Tax. The amounts payable by ValenzaBio to ProBioGen pursuant to this Agreement shall not be reduced on account of any taxes unless required by applicable law. ProBioGen alone shall be responsible for paying any and all taxes (other than withholding taxes required by applicable law to be paid by ValenzaBio) levied on account of, or measured in whole or in part by reference to, any payments it receives. ValenzaBio shall deduct or withhold from the payments any taxes that it is required by applicable law to deduct or withhold. Notwithstanding the foregoing, if ProBioGen is entitled under any applicable tax treaty to a reduction of rate of, or the elimination of, or recovery of, applicable withholding tax, it may deliver to ValenzaBio or the appropriate governmental authority (with the assistance of ValenzaBio to the extent that this is reasonably required and is expressly requested in writing) the prescribed forms necessary to reduce the applicable rate of withholding or to relieve ValenzaBio of its obligation to withhold tax, and ValenzaBio shall apply the reduced rate of withholding, or dispense with withholding, as the case may be, provided that ValenzaBio has received evidence, in a form reasonably satisfactory to ValenzaBio, of ProBioGen's delivery of all applicable forms (and, if necessary, its receipt of appropriate governmental authorization) at least [***] prior to the time that the payments are due. If, in accordance with the foregoing, ValenzaBio withholds any amount, it shall pay to ProBioGen the balance when due, make timely payment to the proper taxing authority of the withheld amount, and send to ProBioGen proof of such payment within [***] following that payment.

10.4 All payments to be made by ValenzaBio to ProBioGen hereunder are payable in Euros. When a Product is sold by ValenzaBio or its Sub-Licensees for compensation other than Euro, conversion of foreign currency to Euro will be made on the Euro Foreign Exchange reference rates published by the European Central Bank at the last day of the month in which such sale occurred

10.5 Records and Audits.

10.5.1 Records: ValenzaBio shall keep, and shall cause its Affiliates and Sub-Licensees to keep, complete and accurate books and financial records containing all data necessary for the calculation of the Net Sales pursuant to this Agreement, which books and financial records shall be retained by ValenzaBio and its Affiliates and Sub-Licensees, until [***] after the end of the calendar year to which they relate.

10.5.2 Audits: Upon the written request of ProBioGen, ValenzaBio shall permit and shall cause its Affiliates and Sub-Licensees to permit, an independent certified public ac-counting firm of internationally recognized standing selected by ProBioGen, to inspect and audit, during normal business hours and upon at least [***]' written notice, such of the records as may be reasonably necessary to verify the accuracy of the Net Sales; provided that ProBioGen shall not have the right to inspect or audit records more than once annually. If such accounting firm concludes that there is a negative discrepancy between a statement of ValenzaBio on Net Sales and the result of the audit, ProBioGen shall be entitled to invoice ValenzaBio for the amount owed as determined by such accounting firm and ValenzaBio shall pay such amount and the reasonable fees for the work of such accounting firm.

11. ON-GOING INFORMATION, COMMUNICATION

11.1 Status Information. ProBioGen shall, [***], briefly inform ValenzaBio about the status of the Project by e-mail. Should, during the performance of the Services, instances occur or risks be discovered or other relevant facts be discovered, ProBioGen shall immediately report such instances to ValenzaBio.

11.2 Project Team: As their scientific representatives in respect to the Project, the Parties do nominate the following Persons:

(a) ProbBioGen [***]

[***]

(b) ValenzaBio [***]

These persons shall, together, form the Project Team. The Project Team shall act in all matters expressly assigned to it in this Agreement and in the appendices hereto. In addition to the Status Information the Project Team shall hold meetings via teleconference on a regular basis, aiming at a about every [***]. In preparation of such meetings, a presentation with recent/current generated data will be provided and the current stage of the Project shall be reviewed, further activities shall be determined and deviations from the expected Project course shall be discussed. [***]. The Project Team shall decide by [***]. The decisions made and points discussed in meetings of the Project Team shall be recorded by ProBioGen in minutes, which shall be transmitted to ValenzaBio by Email. Such minutes shall be deemed to be acknowledged by ValenzaBio if ValenzaBio does not communicate its objection, or any amendments or changes to the protocol [***] after the date of confirmed receipt of the protocol.

Meetings of the Project Team shall be, as a general rule, held by telephone conference-call. On request of ValenzaBio, the meetings shall be held as face-to-face meetings at the premises of ProBioGen.

12. QUALITY OF WORK, WARRANTIES AND LIABILITY

12.1 Performance. ProBioGen warrants that ProBioGen will perform, or cause to be per-formed (including through appropriate supervision and inspection), the Services and otherwise fulfill its obligations hereunder honestly and in good faith, exercising reasonable skill, care and diligence, in accordance with recognized professional and industry standards, and in accordance with the terms and conditions of this Agreement. ProBioGen's activities under this agreement are research and development activities with uncertain results. [***]

12.2 ValenzaBio Permits, Compliance to Laws. ProBioGen warrants that it holds all permits which are necessary to perform the development Services and that it does fulfill all legal requirements for the Project ProBioGen warrants that to the best of its knowledge, ProBioGen is in compliance with all applicable laws and regulations concerning in vivo animal experimentation and the ethical treatment of laboratory animals. ProBioGen also warrants that it is not under investigation for violations of such laws, and will inform ValenzaBio in writing immediately if it or any party who is performing Services is the subject of a conviction or if any action, suit, claim, investigation or legal or administrative proceeding is pending.

12.3 Non-Infringement by ProBioGen. With the exemption as set forward in Section 4.2 above, ProBioGen warrants that, upon ProBioGen's reasonable knowledge at the time of signature, the use of ProBioGen's expression system as such and the use of the GlymaxX®-Technology as such shall not violate or in any way infringe upon the Intellectual Property Rights of any Third Party. This warranty is, however, limited to the ProBi-oGen expression system as such and the GlymaxX®-Technology as such and no warranty in respect to the non-infringement of Third Party IP is granted by ProBioGen in respect to the manufacture and commercialization of the Product. For the manufacturing and commercialization of the Product, certain limitations because of Third Party IP may exist and it is on ValenzaBio to review and consider such limitations and, if necessary, to enter into licenses with such Third Parties and ProBioGen makes no representations and grants no warranties and bears no liability in respect to non-infringement of Product-related Third Party IP.

12.4 Non-Infringement by ValenzaBio. ValenzaBio warrants that, upon ValenzaBio's reasonable knowledge, the ValenzaBio Deliverables do not violate or in any way infringe upon the Intellectual Property Rights of any Third Party.

12.5 No other Warranties. The Parties agree that except as expressly set forth in this Section 12 or elsewhere in this Agreement, the Services rendered and the license granted by ProBioGen under this Agreement are WITHOUT WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND THAT PROBIOGEN SHALL ONLY BE LIABLE IN CASE OF BREACH OF THESE WARRANTIES with the exemption that ProBioGen's statutory liabilities under mandatory laws, such as product liability, pharmaceutical liability etc. shall remain unaffected from the terms of this Agreement. EXCEPT AS EXPRESSLY SET

FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY TO THE OTHER PARTY OF ANY NATURE, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, MERCHANTABLE QUALITY, DURABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE.

12.6 No liability upon cure of breach. ProBioGen shall not be liable for a breach of its obligations if ProBioGen has cured such breach within [***] after notice from ValenzaBio requesting the cure of such breach.

12.7 Limitation of Liability. For negligent breaches of ProBioGen's material obligations under this Agreement, ProBioGen's liability shall be limited (i) in case of a breach in respect to the Services [***] and (ii) in case of a breach by ProBioGen in respect to the licenses granted by ProBioGen to ValenzaBio hereunder, ProBioGen's liability shall be limited to [***].

12.8 Exemption to Limitation of Liability. The limitation of liability stipulated in this Section 12 above shall not apply to damages of life or bodily injuries or to intentional or grossly-negligent breaches of ProBioGen's material obligations under this Agreement.

12.9 Exclusion of Consequential, Damages etc. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY LOST PROFITS, LOST SAVINGS, OR ANY INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

13. PATENTS AND INTELLECTUAL PROPERTY RIGHTS

13.1 Background Intellectual Property, Improvements made during the Services. All Intellectual Property rights related to ProBioGen Background IP and any Improvements to or based on ProBioGen's Background IP made by or on behalf of a Party during or after the course of the Services shall be owned by ProBioGen, while Intellectual Property rights solely related to the deliverables provided by ValenzaBio and Intellectual Property Rights that are developed during the course of the Services solely and specifically in

respect to the Product will be owned by ValenzaBio. Each Party shall assign to the other Party, free of charge, all rights, title and interest in Intellectual Property Rights generated by that Party or by its employees, advisors, sub-contractors or alike which are owned by the other Party pursuant to this Section. As an exemption to this Section, the distribution of Intellectual Property Rights in respect to the GlymaxX®-Technology is set forth in Section 13.5 below.

13.2 Filing, Prosecution and Maintenance. As between the Parties, sole discretion regarding filing, prosecution and maintenance of the ProBioGen Patent Rights and any Patents relating to GlymaxX® Technology and any Improvements of the GlymaxX® Technology lies with ProBioGen, and ProBioGen shall be responsible for all associated costs.

13.3 Maintaining. There is no obligation of ProBioGen to maintain the ProBioGen Patent Rights, save that ProBioGen shall notify ValenzaBio in the event that either ProBioGen omits to perform any act required to prosecute and/or maintain any of the ProBioGen Patent Rights or ProBioGen intends to allow any one or more of the ProBioGen Patent Rights to lapse.

13.4 Infringements. Each Party shall be obliged to inform the other immediately of any infringement of or action against the ProBioGen Patent Rights by Third Parties as soon as such Party becomes aware of it and to provide the other Party with the details of such infringement or action. The discretion regarding enforcement of ProBioGen Patent Rights resides with ProBioGen.

13.5 Improvements made under the Commercial Product License. In the event that ValenzaBio or Third Parties on behalf of ValenzaBio generate any Improvements to the Licensed Patent Rights and/or the Licensed Know-how as they specifically relate to the GlymaxX® Technology pursuant to this Agreement, such Improvements shall be owned by ProBioGen provided that they do not include the specific Product and the Improvements to the specific Product and ValenzaBio hereby assigns all right title and interest in and to such Improvements to ProBioGen. ProBioGen hereby grants to ValenzaBio a license on a non-exclusive, sub-licensable (through multiple tiers) basis in respect of all such Improvements to ValenzaBio under the same terms as the license granted to ValenzaBio pursuant to Section 7.

14. CONFIDENTIALITY, USE OF CELL LINE

14.1 Use/Safeguarding of Confidential Information. Each Party that receives Confidential Information from a Disclosing Party (the "Receiving Party") will not use the Disclosing Party's Confidential Information for any purpose other than to exercise or perform its rights or obligations under this Agreement. Without limiting the generality of the foregoing, each Party agrees that it will not use or take advantage of the other Party's Confidential Information for its own benefit, and will not use any of the other Party's Confidential Information as the basis for the design or creation of any device or means other than as provided herein. Each Party will not copy or otherwise reproduce the other Party's Confidential Information, or disclose, disseminate or otherwise communicate, in whole or in part, the other Party's Confidential Information to any Third Party, except as provided herein, without the prior written consent of the other Party. Each Party further agrees that it will safeguard the other Party's Confidential Information from disclosure and, at a minimum, use efforts as stringent as those the Receiving Party employs for protecting the confidentiality of its own Confidential Information which it does not desire to disclose or disseminate, but in no event less than reasonable care. Confidential Information will only be disclosed to employees, contractors or agents of a Party that have a need to know such information in connection with this Agreement, and have agreed to protect such information in accordance with the terms hereof. Nothing in this Agreement shall restrict or affect a Party's use or disclosure of its own Confidential Information.

14.2 Exceptions. Confidential Information will not include information that: (i) is or becomes publicly available through no act or omission of a Receiving Party; (ii) was rightfully known to the Receiving Party, without restriction, at the time of disclosure; or (iii) is independently developed by the Receiving Party without use of or reference to the

Disclosing Party's Confidential Information. In the event that any Confidential Information is required to be disclosed by the Receiving Party by law or regulation or stock exchange or valid order of a court or other governmental authority, the Receiving Party will first give notice to the Disclosing Party so that the Disclosing Party will have an opportunity to seek a protective order or other appropriate relief.

14.3 Anonymous Presentations. The Parties are in agreement that each Party may, at its own discretion, publish general data about the Project for scientific or business development reasons after such data have been made anonymous in a way which secures that the protection of inventions is not endangered.

14.4 Press Release. The Parties are in agreement that each Party shall, after signature of this Agreement and upon achievement of each of the milestones defined in 9.1., be entitled to issue a mutually agreeable press release that includes the name of the Parties and the fact that the Parties have entered into an Agreement about the development of a Cell Line that includes application of the GlymaxX® Technology. ProBioGen shall be entitled to issue such press release as soon as ValenzaBio itself has issued its first press release independent of its content, provided, however, that even without such ValenzaBio press release ProBioGen shall be entitled to unilaterally issue a press release mentioning the company names of ProBioGen and ValenzaBio and that the respective instance has been reached using the GlymaxX® Technology before the end of the calendar year 2021. Further, ProBioGen shall be entitled to issue a press release at each Milestone reached and to use ValenzaBio's logo for the purpose of naming ValenzaBio as a customer of ProBioGen.

14.5 Use of Cell Lines. ValenzaBio shall refrain from developing new producer cell lines using the Cell Line(s). Especially, but not limited to, ValenzaBio shall refrain from developing new producer cell lines using [***]. In addition, ValenzaBio shall refrain from any use of the ProBioGen Deliverables for the generation of other cell lines, specifically from the use of [***]. If ValenzaBio assigns the Cell Lines which are developed under this Agreement to Third Parties, ValenzaBio shall impose the duty on such Third Parties to observe this restriction on the use of the Cell Lines and the Vector as set forth in this Agreement and the stipulations provided in this Section 14.5.

15. DURATION, TERMINATION

15.1 Term. The Services-related part of this Agreement shall become effective upon the date of the Agreement and shall remain in effect until the Services are completed. The Commercial Product License granted under this Agreement shall, if not terminated for important reason under Section 15.2 above, remain in effect until the payment obligations under Section 8.5 have expired.

15.2 Termination for Cause: Each Party shall have the right without prejudice to any rights to be exercised, damages accrued or claims for damage or other relief, to terminate this Agreement by written notice to the other Party upon occurrence of any of the following events:

(a) if such Party becomes insolvent in that liabilities exceed assets, is adjudged bankrupt or insolvent, applies for judicial or extra-judicial settlement with its creditors, makes an assignment for the benefit of its creditors, voluntarily files for bankruptcy or has a receiver or trustee (or the like) in bankruptcy appointed over its business, property or assets, or if a Party becomes the subject of liquidation or dissolution (except for reconstruction purposes such as mergers etc.) or involuntary bankruptcy proceedings or otherwise discontinues business; or,

(b) if such Party breaches any material term or condition of this Agreement (especially, but not limited to, payment obligations hereunder) and the defaulting Party, having received written notice of such default from the Party asserting the breach, fails to fully cure such breach within [***] of receipt of such notice from the Party asserting the breach.

15.3 Notice of Termination. Any notice of termination has to be in written form and shall be submitted to the other Party by registered letter.

15.4 Accrued Obligations. The termination of this Agreement pursuant to this Section 15 shall not release any Party from any payment obligation accrued or accruing to the other Party prior to the termination date.

15.5 Survival: Sections 1, 3.3, 4.1 (second sentence only), 6.4, 7.3, 10.3, 10.5, 12.5, 12.6, 12.7, 12.8, 12.9, 13.1, 13.2, 13.5, 14 and 15 shall survive the termination of this Agreement

16. GENERAL PROVISIONS

16.1 Independent Contractors. The Parties to this Agreement are independent contractors, and no agency, partnership, joint venture or employment relationship is intended or created hereby. Except as may be specified in writing, neither Party will have the power to obligate or bind the other Party. Personnel supplied by ProBioGen will work exclusively for ProBioGen and will not for any purpose by considered employees or agents of ValenzaBio.

16.2 Force Majeure. Neither Party to this Agreement will be liable to the other Party for any failure or delay in fulfilling an obligation hereunder, if said failure or delay is attributable to circumstances beyond its control, including, but not limited to, any fire, labor dispute, government measure, acts of God, war, riots, civil disturbances, accidents, earthquakes, flood, strikes, lockouts, labor disturbances, or court or governmental order ("Force Majeure"). The parties agree that the deadline for fulfilling the obligation in question will be extended for a period of time equal to that of the continuance of the Force Majeure. ProBioGen will use all commercially reasonable efforts to minimize the effect of the Force Majeure on its performance under this Agreement. Notwithstanding the continuance of an event of Force Majeure, ProBioGen may not delay performance of its obligations under any circumstances by more than [***], otherwise ValenzaBio may terminate this Agreement.

16.3 COVID-19 Pandemic. It is agreed by the Parties that negative consequences of the COVID-19-Pandemic (the "Pandemic") are regarded as a case of force majeure event that any Party may experience and that in such event, such effects shall be regarded as force majeure under the law. The Parties agree that this shall be the case even if the Parties are aware of the Pandemic as of the effective date of this Agreement and even if ProBioGen experiences effects of the Pandemic, which are, at the time of the effective date of this Agreement, not entirely unlikely or unexpected, (like, for example, but not limited to, shortage in personnel because of Pandemic-related disease or because of employees having to care for their family at home or closure of facilities or general or individual quarantine measures or alike).

16.4 Governing Law, Arbitration. This Agreement shall be governed by and construed in accordance with [***]. The applicability of the United Nations Convention on the International Sale of Goods shall be excluded. Any dispute or difference arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination or the legal relationships established by this Agreement, will be exclusively and finally resolved by arbitration under the Arbitration Rules of the International Chamber of Commerce (ICC) in force at the date of this Agreement. The Parties agree that the tribunal shall consist of three arbitrators, the place of the arbitration [***]; the language of the arbitration [***].

16.5 Notices. Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To ProBioGen:

E-mail: [***]

Fax No.: [***]

Attention: [***]

To ValenzaBio:

E-mail: [***]

Phone No.: [***]

Attention: [***]

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the business day at the place of the recipient during which such normal business hours next occur if not given during such hours on any day.

16.6 Severability. If any provision, or portion thereof, of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, such determination will not impair or affect the validity, legality or enforceability of the remaining provisions of this Agreement, and each provision, or portion thereof, is hereby declared to be separate, severable and distinct.

16.7 Waiver. A waiver of any provision of this Agreement will only be valid if provided in writing and will only be applicable to the specific incident and occurrence so waived. The failure by either Party to insist upon the strict performance of this Agreement, or to exercise any term hereof, will not act as a waiver of any right, promise or term, which will continue in full force and effect.

16.8 Remedies Cumulative. No single or partial exercise of any right or remedy under this Agreement will preclude any other or further exercise of any other right or remedy in this Agreement or as provided at law or in equity. Rights and remedies provided in this Agreement are cumulative and not exclusive of any right or remedy provided at law or in equity.

16.9 Number and Gender. Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders.

16.10 Headings. The headings in this Agreement are solely for convenience of reference and will not be used for purposes of interpreting or construing the provisions hereof.

16.11 Amendment. This Agreement may only be amended by written agreement duly executed by authorized representatives of the parties.

16.12 Entire Agreement. This Agreement will constitute the entire agreement between the Parties with respect to the subject matter hereof and will replace all prior promises or understandings, oral or written. There is no representation, warranty, collateral term or condition or collateral agreement affecting this Agreement, other than as expressed in writing in this Agreement.

16.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such Party.

AGREED TO AND SIGNED by the duly authorized representatives of the Parties.

VALENZABIO, INC.

Per: /s/ Patrick Crutcher
Title: Chief Executive Officer
Date: February 8th, 2021

PROBIOGEN AG

Per: /s/ Lutz Hilbrich
Title: Dr. Lutz Hilbrich, CEO
Date: February 9, 2021

PROBIOGEN AG

Per: /s/ Volker Sandig
Title: Dr. Volker Sandig, CSO
Date: February 9, 2021

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 333-278328, 333-270304, 333-263347, and 333-258771 on Form S-8 of Eliem Therapeutics, Inc. of our report dated May 16, 2024, relating to the financial statements of Tenet Medicines, Inc. appearing in this Current Report on Form 8-K dated June 27, 2024.

/s/ Deloitte & Touche LLP
San Diego, CA
June 27, 2024

Exhibit 99.1

Eliem Therapeutics Announces the Closing of its Acquisition of Tenet Medicines and Concurrent $120 Million Private Placement

Eliem to focus on advancing TNT119, an anti-CD19 antibody designed to treat a broad range of autoimmune diseases, including systemic lupus erythematosus, immune thrombocytopenia and membranous nephropathy

Post-close cash and cash equivalents of $220 million expected to fund operations into 2027, to enable the potential attainment of key clinical and development milestones for TNT119

Announces the appointments of Dr. Aoife Brennan as President, Chief Executive Officer and Director, and Dr. Jan Hillson as Senior Clinical Advisor; Dr. Stephen Thomas, former Tenet CEO, appointed to Eliem's Board of Directors

SEATTLE, UNITED STATES and CAMBRIDGE, UNITED KINGDOM —(GLOBE NEWSWIRE) – June 27, 2024 – Eliem Therapeutics, Inc. (Nasdaq: ELYM) ("Eliem"), today announced the closing of its acquisition with Tenet Medicines ("Tenet"). The transaction closed on June 27, 2024. Following the closing, Eliem will focus on developing therapeutics for autoimmune-driven inflammatory diseases, including advancing TNT119, an anti-CD19 antibody designed for a broad range of autoimmune diseases, including systemic lupus erythematosus, immune thrombocytopenia and membranous nephropathy.

Concurrent with the closing of the acquisition, Eliem completed a $120 million private placement of its common stock with a syndicate of new and existing institutional life science investors, including RA Capital Management, Deep Track Capital, Boxer Capital, Janus Henderson Investors, Pontifax and Samsara Biocapital. Following the close of the acquisition and the private placement, Eliem has total cash and cash equivalents of approximately $220 million. Eliem expects this will be sufficient to fund the combined company's planned operations into 2027 and to enable the potential attainment of key clinical and development milestones for TNT119. Eliem's stockholders approved the issuance of shares of Eliem common stock in the transactions on June 26, 2024, along with the other proposals presented at the meeting.

"Today marks a transformative milestone for Eliem Therapeutics as we strive to become a leading immunology and inflammation company focused on developing novel treatments for a broad range of autoimmune diseases," stated Andrew Levin, Executive Chairman of Eliem. "With the concurrent close of our $120 million private placement, we now have a robust balance sheet with approximately $220 million in cash and cash equivalents and are poised to advance the development of TNT119, our lead anti-CD19 antibody, through multiple milestones and for several autoimmune diseases. We look forward to initiating Phase 2 clinical trials of TNT119 later this year."

Levin continued: "We are also thrilled to welcome Aoife and Jan to Eliem Therapeutics. Throughout our comprehensive search to expand our leadership team, it became evident that Aoife and Jan were the ideal candidates, each with exceptional experiences and impeccable track records to guide Eliem following its successful acquisition of Tenet Medicines. I would also like to welcome Stephen Thomas, the former CEO of Tenet, as a new member of our Board. We all look forward to working with Stephen."

"I am thrilled to take the role of CEO at Eliem at this exciting time in the Company's history," said Dr. Aoife Brennan, CEO of Eliem Therapeutics. "The successful acquisition of Tenet Medicines and our strong balance sheet position us well to maximize the potential of TNT119, our lead anti-CD19 antibody, and to develop novel treatments for a broad range of autoimmune diseases. With a team of dedicated professionals and the support of our investors, I am confident that we can make significant strides in advancing our clinical and development milestones. I look forward to leading Eliem Therapeutics into its next phase of growth and innovation, and most importantly, making a difference in the lives of patients suffering from autoimmune diseases."

TNT119 is an anti-CD19 antibody designed to achieve broad and deep depletion of pathogenic B-cells with a favorable tolerability profile and convenient dosing regimen with the potential for subcutaneous administration. Following the closing of the acquisition, Eliem's strategy will be to develop TNT119 for a range of autoimmune-mediated diseases, where it believes CD19-targeted approaches have clear biological rationale, where it can potentially achieve clinical proof-of-concept, and where it can introduce product candidates that can be meaningfully differentiated in the market. TNT119's lead indication is in systemic lupus erythematosus, the most common type of lupus and an autoimmune disease in which the immune system attacks its own tissue, causing widespread inflammation and tissue damage in affected organs including joints, skin, brain, lungs, kidneys and blood vessels. In systemic lupus erythematosus, the underlying pathology involves the production of autoantibodies by autoreactive B cells and the formation of immune complexes that contribute to inflammation and tissue damage. CD19 is a protein expressed on the surface of these B cells, and it plays a role in B cell activation, proliferation and survival. TNT119 is designed to target and deplete CD19-expressing B cells known to produce autoantibodies, thereby providing a novel approach to the potential treatment of systemic lupus erythematosus. Eliem expects to initiate Phase 2 clinical trials of TNT119 later this year.

Leadership Team and Board of Director Updates

In connection with the closing of the acquisition, Eliem is announcing additions to its executive leadership team with the appointment of Aoife Brennan, M.B., Ch.B., as President and Chief Executive Officer and Jan Hillson, M.D., as Senior Clinical Advisor. Dr. Aoife Brennan and Dr. Stephen Thomas will also join Eliem's Board of Directors.

Aoife Brennan, M.B., Ch.B.: Dr. Brennan brings to Eliem over 20 years of experience leading drug development organizations across a range of stages and therapeutic areas having most recently served as the President and Chief Executive Officer of Synlogic, a clinical stage biotechnology company developing treatments for rare metabolic diseases based on synthetic biology. In that role, she led the organization from early-stage private company to a late-phase public company with internal GMP manufacturing capabilities, pioneering new regulatory pathways for bacterial therapeutics. She joined Synlogic as Chief Medical Officer in 2016 and was promoted to CEO in October 2018. Prior to Synlogic, Dr. Brennan served as Vice President and Head of the Rare Disease Innovation Unit at Biogen, Inc., where she led the global marketing approvals of ALPROLIX®, ELOCTATE® and SPINRAZA® as well as other early-stage programs. She currently serves as a director of Fibrogen Inc., Cerevance, LLC and Xilio Therapeutics, and previously served as a director of Synlogic from October 2018 to March 2024, and as a director of Ra Pharmaceuticals, Inc. from September 2018 through its acquisition in April 2020. Dr. Brennan holds a medical degree from Trinity College Dublin, Ireland and completed her post-graduate training in internal medicine, endocrinology and metabolism at the Royal College of Physicians in Ireland. She also completed post-doctoral training in clinical research and metabolism at the Beth Israel Deaconess Medical Center in Boston and is a graduate of the Harvard Medical School Scholars in Clinical Science Program.

Jan Hillson, M.D.: Dr. Hillson is a rheumatologist and clinical immunologist with 20 years of experience in academic research, patient care and teaching, and more than 15 years of experience in the biotech industry spanning translational, preclinical, early and late clinical development. Prior to Eliem, Dr. Hillson was a Partner at Cascadia Drug Development Group providing strategic advisory support, including indication prioritization, investment opportunity diligence, and planning and oversight of therapeutic development with a focus in immunology. Dr. Hillson's experience in the biotechnology industry includes senior clinical development and leadership roles at ZymoGenetics (acquired by Bristol Myers Squibb), Momenta (acquired by Johnson & Johnson), Chemocentryx (acquired by Amgen), Alpine Immune Sciences, and Provention Bio (acquired by Sanofi), where she was responsible for the design and execution of clinical development plans and trials for multiple therapeutic candidates in autoimmune diseases and immunovirology. Dr. Hillson is currently serving on the Board of Directors for Eledon Pharmaceuticals. Dr. Hillson received her M.D. from Stanford School of Medicine, an M.S. from the California Institute of Technology, an M.S. in Marine Chemistry from Scripps Institute of Oceanography, and a B.S. from Michigan State University.

Advisors

Leerink Partners served as the exclusive financial advisor and Wilmer Cutler Pickering Hale and Dorr LLP served as legal counsel to Eliem. Cooley LLP served as legal counsel to Tenet.

About Eliem Therapeutics, Inc.

Eliem Therapeutics, following the close of the acquisition, will be focused on developing therapeutics for autoimmune-driven inflammatory diseases, including advancing TNT119, an anti-CD19 antibody designed for a broad range of autoimmune diseases, including systemic lupus erythematosus, immune thrombocytopenia and membranous nephropathy.
https://eliemtx.com/

Forward-Looking Statements

This press release contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation statements regarding: future expectations, plans and prospects for Eliem following the consummation of the acquisition of Tenet by Eliem; the anticipated benefits of the acquisition; the strategy, anticipated milestones and key inflection points of the combined company; the anticipated use of proceeds of the private placement; the anticipated cash runway of the combined company; expectations regarding TNT119’s therapeutic benefits, clinical potential and clinical development, and anticipated timelines for initiating clinical trials of TNT119, including initiating Phase 2 clinical trials for the treatment of SLE and ITP in the second half of 2024; and other statements containing the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “would,” “will,” “working” and similar expressions. Any forward-looking statements are based on management’s current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially and adversely from those set forth in, or implied by, such forward-looking statements. Eliem may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. These risks and uncertainties include, but are not limited to, important risks and uncertainties associated with: the ability of Eliem to timely and successfully achieve or recognize the anticipated benefits of the acquisition; the outcome of any legal proceedings that are instituted against Eliem or Tenet relating to the acquisition and related transactions; costs related to the acquisition, including unexpected costs, charges or expenses resulting from the acquisition; changes in applicable laws or regulation; the possibility that the combined company may be adversely affected by other economic, business and/or competitive factors; competitive responses to the transactions; Eliem’s ability to advance TNT119 and/or its other product candidates on the timelines expected or at all and to obtain and maintain necessary approvals from the U.S. Food and Drug Administration and other regulatory authorities; obtaining and maintaining the necessary approvals from investigational review boards at clinical trial sites and independent data safety monitoring board; replicating in clinical trials positive results found in early-stage clinical trials of TNT119; competing successfully with other companies that are seeking to develop treatments for systemic lupus erythematosus, immune thrombocytopenia, membranous nephropathy and other autoimmune driven inflammatory diseases; maintaining or protecting intellectual property rights related to TNT119 and/or its other product candidates; managing expenses; raising the substantial additional capital needed, on the timeline necessary, to continue development of TNT119 and other product candidates Eliem may develop; and achieving Eliem’s other business objectives. For a discussion of other risks and uncertainties, and other important factors, any of which could cause Eliem’s actual results to differ materially from those contained in the forward-looking statements, see the “Risk Factors” section, as well as discussions of potential risks, uncertainties and other important factors, in Eliem’s most recent filings with the SEC. In addition, the forward-looking statements included in this press release represent Eliem’s views as of the date hereof and should not be relied upon as representing Eliem’s views as of any date subsequent to the date hereof. Eliem anticipates that subsequent events and developments will cause Eliem’s views to change. However, while Eliem may elect to update these forward-looking statements at some point in the future, Eliem specifically disclaims any obligation to do so.

Investors
Chris Brinzey
ICR Westwicke
chris.brinzey@westwicke.com
339-970-2843

Description of the Acquired Tenet Business

Background

On June 27, 2024, Eliem completed its acquisition of Tenet Medicines, Inc. ("**Tenet**"), in accordance with an Agreement and Plan of Merger and Reorganization, dated as of April 10, 2024 (the "**Acquisition Agreement**"), by and among Eliem, Tango Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Eliem ("**Transitory Subsidiary**"), Tenet, and, solely in his capacity as Tenet equityholder representative, Stephen Thomas, providing for the acquisition of Tenet by Eliem through the merger of Transitory Subsidiary into Tenet, with Tenet surviving as a wholly owned subsidiary of Eliem (the "**Acquisition**").

Following the closing of the Acquisition, Tenet became a wholly owned subsidiary of Eliem and Eliem's business included the business conducted by Tenet immediately prior to the Acquisition, including the advancement of TNT119, and Tenet's agreements and arrangements effectively became agreements and arrangements of Eliem.

Below is the description of Tenet's business from the definitive proxy statement on Schedule 14A, filed by Eliem with the Securities and Exchange Commission (the "**SEC**") on June 4, 2024, which was supplemented by supplements filed with the SEC on June 12, 2024 and June 14, 2024. Unless the context indicates otherwise, all references in the following description of the acquired Tenet business to "Eliem," "our," "us" or "we" refer to Eliem Therapeutics, Inc. and its wholly owned subsidiaries after the effective time of the Acquisition, and all references to Tenet refer to Tenet Medicines, Inc. prior to the effective time of the Acquisition.

Following the Acquisition, Eliem plans to focus primarily on advancing TNT119, an anti-CD19 antibody, designed for a broad range of autoimmune diseases, including systemic lupus erythematosus, immune thrombocytopenia and membranous nephropathy. A previously disclosed, the Eliem board of directors appointed Aoife Brennan as President and Chief Executive Officer of Eliem effective upon the closing of the Acquisition. It is expected that the management team of Eliem, led by Dr. Brennan, will evaluate and consider revisions to the company's development plan on a go-forward basis, which updates Eliem will disclose in its future filings with the SEC.

Overview and Corporate History of Tenet

Tenet is a clinical stage biotechnology company dedicated to developing its product candidate, TNT119. Also known as budoprutug, TNT119 is an anti-CD19 monoclonal antibody ("**mAb**") designed for a broad range of autoimmune diseases, including systemic lupus erythematosus ("**SLE**"), immune thrombocytopenia ("**ITP**") and membranous nephropathy ("**MN**"). Tenet was founded in November 2023 and entered into an asset purchase agreement with Acelyrin, Inc. ("**Acelyrin**") in January 2024, which granted Tenet worldwide licenses to develop, manufacture, use and commercialize TNT119 for any non-oncology indication. Prior to the Acquisition, approximately 81% of Tenet's equity interests were held by Sera Medicines, LLC ("**Sera Medicines**"), which is majority owned by RA Capital Management L.P., and approximately 19% of its equity interests were held by Tenet's management.

TNT119 is an anti-CD19 mAb with a fragmented crystallizable region engineered to achieve effector function through low-fucosylation ("**Fc+**"). CD19 is expressed on B-lineage cells and plays a key role in B cell autoimmune diseases. TNT119, an anti-CD19 mAb, is designed to deplete CD19-positive B cells, including antibody secreting cells, in order to directly reduce pathogenic autoantibodies. This reduction of autoantibodies has the potential to be disease modifying in autoantibody driven diseases, such as SLE, ITP and MN. In a Phase 1b clinical trial of TNT119 in MN, 3 out of 5 (or 60%) of patients that received four doses of TNT119 achieved a complete remission of proteinuria, a primary symptom of MN.

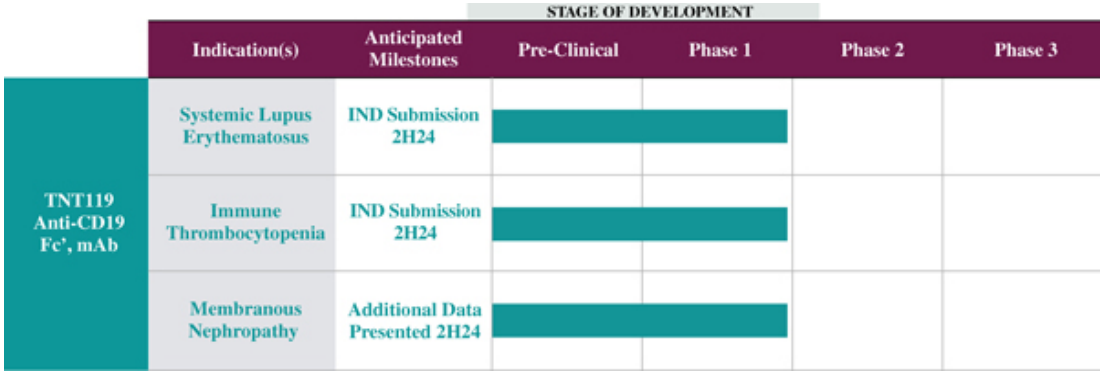
In SLE, one of TNT119's lead indications, the underlying pathology involves production of autoantibodies by autoreactive B cells that contribute to inflammation and tissue damage. CD19 is a protein expressed on the surface of these B-cells and plays a key role in B cell activation. Because TNT119 is designed to target and deplete CD19-expressing B cells known to produce autoantibodies, Tenet believes TNT119 has the potential to treat SLE. In ITP, Tenet believes targeting plasmablasts and plasma cells is likely to decrease the production of autoantibodies, increase platelet count and ameliorate disease. B-cell depletion with anti-CD20 targeting mAbs, whose expression

initiates somewhat later and is lost somewhat earlier than anti-CD19, has demonstrated efficacy in ITP disease for some patients in clinical trials by third parties. For those patients who do not respond to anti-CD20 therapy, Tenet believes an anti-CD19 approach, such as TNT119, may have the ability to further deplete pathogenic CD20-/CD19+ cells.

Based on the preliminary results of the Phase 1b clinical trial of TNT119 in MN, Tenet aims to initiate two Phase 2 clinical trials of TNT119 in the second half of 2024, one in SLE and one in ITP, pending submission and clearance of investigational new drug applications ("**INDs**") to the U.S. Food and Drug Administration ("**FDA**") for these indications. By the end of 2024, Tenet also expects to have finalized a high concentration formulation of TNT119 to potentially support subcutaneous dosing. Tenet is also targeting publishing a more comprehensive set of preliminary MN data from the Phase 1b clinical trial at a medical conference in the fourth quarter of 2024.

Tenet's Pipeline

The following chart summarizes the lead indications for which Tenet plans to develop TNT119 and the current stage of development in each indication:



Tenet's Strategy

Tenet's strategy since the asset acquisition of TNT119 had been to develop TNT119 across a range of autoimmune-mediated diseases, especially where targeted approaches have clear biological rationale, where Tenet could potentially achieve clinical proof-of-concept and where TNT119 can be meaningfully differentiated in the market.

The key elements of Tenet's strategy for TNT119 include:

- **Advance TNT119 through clinical development for patients with SLE.** Tenet is developing TNT119 for the treatment of SLE. Tenet expects to initiate a Phase 2 clinical trial of TNT119 for the treatment of SLE in the second half of 2024, pending submission and clearance of an IND to the FDA for this indication.
- **Advance TNT119 through clinical development for patients with ITP.** Tenet is developing TNT119 for the treatment of ITP. Tenet expects to initiate a Phase 2 clinical trial of TNT119 for the treatment of ITP in the second half of 2024, pending submission and clearance of an IND to the FDA for this indication.
- **Advance subcutaneous formulation of TNT119.** Tenet is developing a high concentration formulation of TNT119 to support subcutaneous administration, which is a convenient dose form that is designed to differentiate TNT119 from intravenous treatments for SLE, ITP, MN and other autoimmune diseases. Tenet expects to finalize its subcutaneous formulation by the end of 2024.

- **Continue to advance TNT119 through clinical development in patients with MN.** Tenet believes preliminary data from the Phase 1b clinical trial of TNT119 in MN supports TNT119's potential to provide a differentiated product profile for the treatment of MN. Tenet expects to report additional preliminary Phase 1b clinical data in the fourth quarter of 2024.
- **Explore opportunities to selectively expand the potential of TNT119.** Tenet plans to strategically evaluate potential collaborations with external parties to maximize the potential of TNT119. Tenet also believes that there is an opportunity to develop TNT119 for other autoimmune diseases in addition to SLE, ITP and MN and plans to evaluate the development of TNT119 for additional indications.

Autoimmune Disease

Overview of Autoimmune Diseases

The immune system plays a vital role in nearly every aspect of human health, from protecting against external pathogens such as viruses, bacteria and fungi, to acting as a frontline surveillance and defense system that eliminates internal threats, such as pre-malignant and malignant lesions. Beyond providing protection, the immune system regulates key regenerative and homeostatic processes in healthy individuals on an ongoing basis.

In patients with autoimmune diseases, the immune system inappropriately recognizes and attacks normal healthy tissues, causing inflammation, organ damage, debilitating symptoms and, in severe cases, death. To date there are over 100 documented autoimmune diseases, each with a wide range of clinical manifestations, pathophysiology and severities. It is estimated that approximately 4% of the world's population and nearly 50 million people in the United States are affected by an autoimmune disease, with evidence suggesting that this percentage will continue to rise in the future.

The standard-of-care for immune-related diseases has been immunosuppressive medications and anti-inflammatory agents that are intended to prevent and control immune system overactivity. Recently, improved research and development efforts have resulted in targeted therapies that have shown greater efficacy while reducing treatment-limiting side effects, including those associated with broad immunosuppression. However, despite these advances, many patients with autoimmune diseases continue to be underserved. Existing targeted therapies may not fully address underlying disease biology or have meaningful side effects.

SLE

Systemic lupus erythematosus, characterized by the presence of autoantibodies, is a multifactorial autoimmune disease in which the immune system attacks its own tissue, causing widespread inflammation and tissue damage in affected organs including joints, skin, brain, lungs, kidneys and blood vessels. In SLE, the underlying pathology involves the production of autoantibodies by autoreactive B cells that contribute to inflammation and tissue damage. Based on third-party research, Tenet estimates that SLE affects over 240,000 people in the United States.

Current treatment options for SLE are steroids or immune-suppressive therapies, including AstraZeneca plc's Saphnelo and GSK plc's Benlysta. Recent studies conducted by third parties have indicated a potential for CD19-targeted therapies to address autoimmune diseases such as SLE.

ITP

Immune thrombocytopenia is an autoimmune disease characterized by abnormally low levels of platelets, which help prevent and control bleeding by accelerating clotting where needed. The low platelet levels can lead to severe internal bleeds and hemorrhaging. A major cause of ITP is a breakdown of immune tolerance to platelets, followed by production of autoantibodies that target and destroy platelets. In the United States, Tenet estimates there are approximately 65,000 people with ITP.

Current therapies for ITP include corticosteroids, intravenous immunoglobulin, thrombopoietin receptor agonists, spleen tyrosine kinase inhibitor and immunosuppressive agents. One leading medication in the market is rituximab, which is a monoclonal antibody medication used to treat ITP along with other forms of autoimmune diseases and various forms of cancer. While these current treatments have proven successful in improving platelet counts, some patients still have an inadequate response with current treatments and continue to struggle with low levels of platelets, thereby a need for improved therapies remains.

MN

Membranous nephropathy is an organ-specific autoimmune disease that largely affects the kidney's ability to function due to autoantibody-mediated inflammation in the glomerular basement membrane, ultimately causing nephrotic syndrome. These patients often spill excess protein, known as proteinuria, which, if left untreated, can lead to kidney failure. Tenet estimates there are approximately 70,000 people in the United States with MN.

Traditional treatments for patients with MN include alkylating agents or calcineurin inhibitors, which have undesirable side effects, including, among others, hypertension, neurotoxicity, metabolic abnormalities, a heightened risk of life-threatening bacterial, viral, and fungal infections, malignancies, hypoglycemia and gastrointestinal disturbances. Newer therapies like rituximab have been used with some success, however the majority of treated patients do not achieve complete remission of their disease. There are currently no drugs specifically approved for the treatment of MN in the United States.

B-Cell Depletion Therapies

The body's immune system detects foreign pathogens and utilizes various cells to mount a response. A key feature of the immune system is its ability to differentiate between self and non-self. When this differentiation is disrupted, the immune system may attack "self" antigens, which may result in autoimmune disease. These diseases include SLE, ITP and MN, among others. Dysfunctional cells in the adaptive immune system, especially B cells, are primary contributors to autoimmune disease.

B cells are primarily generated from hematopoietic stem cells as pro-B cells in the bone marrow and mature in various stages, eventually into plasmablasts and plasma cells. Plasmablasts and plasma cells in a healthy immune system are activated in the presence of an antigen and secrete a small or large amount of antibodies, respectively, to combat pathogens. A dysfunctional B cell may be activated by a "self" antigen, and may differentiate into cells that will secrete an antibody, referred to as antibody secreting cells, that will bind to such "self" antigen and contribute to autoimmune disease by negatively modulating important biological pathways. These antibodies are referred to as autoantibodies, and occur in the later stages of B cell maturation.

Therapies that deplete B cells, including monoclonal antibodies, have been utilized for decades, first in oncology and more recently in autoimmune diseases. These therapies target various receptors on B cells, including CD20, CD38, CD22, BAFF-R and CD319. Such therapies have modest clinical benefit but have not been able to address the full spectrum of B cells from pro-B to plasma cells because the targeted antigen is not expressed on all cell types.

The competitive landscape for anti-CD19 mAbs with enhanced cell-killing properties is limited to only two other programs of which Tenet is aware, Amgen's inebilizumab and Incyte's tafasitamab. Tenet believes CD19 is a promising target for mAb therapies for autoimmune diseases, including SLE, ITP and MN, due to CD19's expression on many autoantibody secreting cells, including progenitor cells. Given such, Tenet believes TNT119 administration could result in a durable depletion of autoantibody secreting cells.

TNT119 Overview

TNT119 is an anti-CD19 mAb that is designed to achieve broad and deep depletion of pathogenic B-cells. TNT119 is being developed to be administered both as an infusion and for subcutaneous administration. A key component of Tenet's therapeutic hypothesis is that deeper depletion of autoantibody-secreting cells will correlate with improved clinical benefit in autoimmune diseases like SLE. While existing B-cell targeted approaches provide modest clinical benefit and support the role of B-cells in lupus disease pathogenesis, as an Fc-engineered anti-CD19 antibody, TNT119 is designed to achieve rapid and durable depletion of B cells to potentially improve clinical benefit.

TNT119 for Systemic Lupus Erythematosus

TNT119's lead indication is in systemic lupus erythematosus, an autoimmune disease in which the immune system attacks its own tissue causing widespread inflammation and tissue damage in affected organs including joints, skin, brain, lungs kidneys and blood vessels. In SLE, the underlying pathology involves the production of autoantibodies by autoreactive B cells that contribute to inflammation and tissue damage. CD19 is a protein expressed on the surface of these B cells, and it plays a role in B cell activation. TNT119 is designed to target and deplete CD19-expressing B cells known to produce autoantibodies, thereby providing an approach to the potential treatment of SLE. Tenet expects to initiate a Phase 2 clinical trial of TNT119 for the treatment of SLE in the second half of 2024.

Clinical validation for targeting CD19 in lupus has recently been achieved via several sets of impressive data from third parties utilizing CD19-directed CAR-T, where patients achieved what effectively appears to be complete resolution of disease markers and symptoms. Tenet believes that the safety, tolerability and any potential durability challenges with CAR-T therapy could favor an antibody-based approach, such as TNT119, which has the potential to be better tolerated, more conveniently administered and easier to manufacture. Specifically, safety concerns like cytokine release syndrome and neurotoxicity have occurred in patients receiving CD19-directed CAR-T therapy. Tenet believes that an anti-CD19 antibody approach has the potential to access and deplete tissue-level B-cell niches that are the main drivers of disease, potentially providing similar levels of B-cell depletion as CAR-T therapy, but with the opportunity for improved durability and tolerability.

TNT119 for Immune Thrombocytopenia

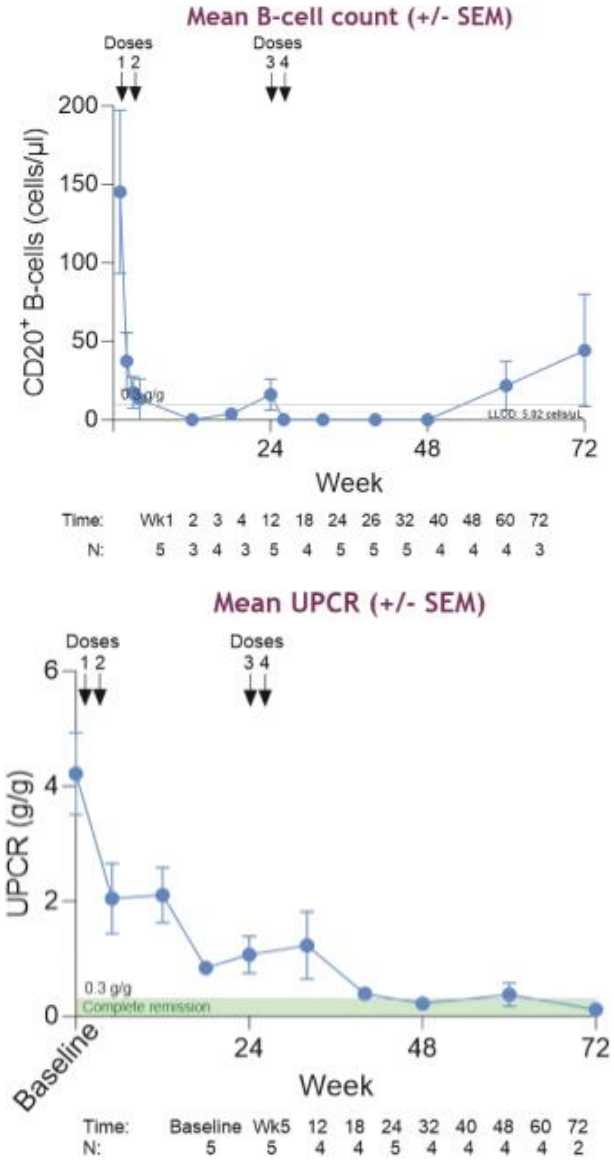
Immune thrombocytopenia is an autoimmune disease in which the body's immune system destroys platelets. Destruction of platelets, which are a key contributor to blood coagulation, can lead to severe internal bleeding and hemorrhaging. A major cause of ITP is breakdown of immune tolerance to platelets, followed by production of autoantibodies that target and destroy platelets.

Tenet believes targeting plasmablasts and plasma cells is likely to decrease the production of autoantibodies, increase platelet count and ameliorate disease. B-cell depletion with the anti-CD20 antibody rituximab has demonstrated efficacy in this disease, however many patients do not respond or respond inadequately. Tenet believes those patients who do not respond to anti-CD20 therapy may have a population of pathogenic CD20-/CD19+cells that could be depleted by an anti-CD19 approach, such as TNT119. Tenet expects to initiate a Phase 2 clinical trial of TNT119 for the treatment of ITP in the second half of 2024.

TNT119 for Membranous Nephropathy

Membranous nephropathy is a disease that largely affects the kidney's ability to function due to autoantibody-mediated inflammation in the glomerular basement membrane. These patients often spill excess protein, known as proteinuria, which, if left untreated, can lead to kidney failure.

Prior to the acquisition of TNT119 by Acelyrin, ValenzaBio, Inc. ("**ValenzaBio**") randomized the first patient in the Phase 1b clinical trial of TNT119 in MN in November 2021 and the trial was conducted by ValenzaBio and then Acelyrin at several sites across the United States. In the trial, two cohorts of MN patients were eligible to receive up to 4 total doses of either 100 mg or 200 mg of TNT119, dosed at Weeks 0, 2, 24 and 26. Changes in B-cell counts, as measured by circulating CD20+ cells, and changes in proteinuria, as measured by urine protein creatinine ratio ("**UPCR**"), were tracked in patients. The primary efficacy endpoint of the trial was the achievement of a complete remission ("**CR**") of proteinuria, defined as UPCR $\leq$ 0.3 g/g. The data graphed below shows the mean B-cells (+/- standard error of measurement ("**SEM**")) and mean UPCR (+/- SEM) from baseline to Week 72 in the 5 patients who received 4 doses of TNT119 and had follow up data out to at least 48 weeks.



Note: Preliminary data as of 01/23/2024, subject to change upon review of final data set post-database lock.

Complete B-cell depletion (B-cells < 5.02 cells/µL) occurred in all patients (5/5, 100%) by week 12. In addition, a majority of patients (3/5, 60%) achieved CR by Week 48, and two of these patients with available follow-up out to Week 72 maintained CR. Importantly, all five patients who received four doses of TNT119 achieved substantial reductions in proteinuria from their baseline value. In the Phase 1b trial, TNT119 was generally well-tolerated, with no drug-related serious adverse events in the trial. Tenet believes the rapid onset and magnitude of benefit observed in these preliminary data is an encouraging signal of TNT119's potential in MN. Tenet plans to present more detailed data related to the above five patients at a medical conference in the second half of 2024.

Additional Indications

While Tenet had a focused set of initial lead indications, Tenet also believes that there is an opportunity to develop TNT119 for other autoimmune diseases in addition to SLE, ITP and MN. Across both orphan and larger indications, nearly 50 million patients in the United States are living with an autoantibody-mediated disease. There are several areas of high unmet need, such as rheumatoid arthritis and myasthenia gravis, and Tenet plans to evaluate the development of TNT119 for additional indications.

Collaboration and License and Agreements

Asset purchase agreement with Acelyrin, Inc.

On January 11, 2024, Tenet entered into an asset purchase agreement with Acelyrin (the "**Asset Purchase Agreement**"), for the acquisition of certain assets of Acelyrin related to TNT119 (the "**Transferred Assets**"), including certain assigned contracts. Under these assigned contracts, Tenet (i) received worldwide licenses (with the right to sublicense) to certain patents, know-how and other intellectual property rights to develop, manufacture, use and commercialize TNT119 (budoprutug) for any non-oncology indication, and (ii) assumed certain liabilities of Acelyrin arising from (1) governmental authority action or notification relating to TNT119, (2) contracts assigned to Tenet pursuant to the Asset Purchase Agreement and (3) Tenet's ownership, lease or operation of the Transferred Assets. The Asset Purchase Agreement includes customary representations, warranties and covenants, as well as standard mutual indemnities, including those covering losses arising from any material breach of the Asset Purchase Agreement.

On the signing date of the Asset Purchase Agreement, the cash payment paid by Tenet was $7.3 million, in addition to inheriting the rights and obligations, including financial obligations, under the CRH Agreement and ProBioGen Agreement (in each case, as defined below). In consideration for the license and other rights Tenet received under the Asset Purchase Agreement, Tenet is obligated to (i) make total payments of up to $157.5 million to Acelyrin upon the achievement of various development, regulatory and commercial milestones, (ii) pay royalties in the single-digit percentages, subject to specified reductions, to Acelyrin on worldwide net sales in a given calendar year, and (iii) make non-refundable and non-creditable payments to Acelyrin on sublicense income with rates ranging from the low single digit to mid teen percent depending on the stage of development of the most advanced Products (as defined below) at the time of such sublicense. The royalty term continues for each licensed product incorporating or comprising TNT119 (a "**Product**") on a country-by-country and Product-by-Product basis beginning on the first commercial sale of such Product and ending on the latest of (a) the date when such Product is no longer covered by a valid claim of a royalty-bearing patent in such country, (b) the expiration of any regulatory exclusivity period for such Product in such country, and (c) the twelfth anniversary of the first commercial sale of such Product in such country.

Tenet is obligated to use commercially reasonable efforts to commercialize at least one Product in the United States and to achieve specified development, regulatory and commercial milestones set forth in the Asset Purchase Agreement. If Acelyrin asserts that Tenet has failed to meet one or more of these diligence obligations within specified time periods, and such failure is finally determined through a dispute resolution process, Acelyrin shall have the right to repurchase the Transferred Assets at the then-fair market value of such Transferred Assets, as Acelyrin's sole and exclusive remedy for such breach.

If, within a specified period, Tenet receives a bona fide offer or proposal from a third party to sell, transfer or otherwise divest all or substantially all of the rights to the Transferred Assets or Products, or grant an exclusive license or exclusive sublicense to such third party to develop and commercialize Products under specified terms, then prior to entering into any discussions or negotiations with any third party in relation to such a transaction, Tenet shall provide written notice to Acelyrin of such intent or receipt of proposal. Acelyrin shall have the right to negotiate with Tenet the terms for a definitive agreement with respect to such sale, transfer or grant of the rights to Products for a specified period of time. If Acelyrin does not exercise its right to negotiate or the parties are unable to agree on the terms of a definitive agreement, Tenet shall have the right to negotiate or enter into an agreement with a third party with respect to such transaction, subject to specified conditions.

For a specified period after the Asset Purchase Agreement closing date, Tenet shall not solicit, induce, or attempt to induce any employees of Acelyrin to become employees or independent contractors of Tenet. If Tenet does hire or engage an employee of Acelyrin during such period, Tenet is obligated to make a certain payment to Acelyrin.

Tenet may not sell, assign or transfer all or substantially all of the rights to develop or commercialize a Product unless, as a condition to such sale, assignment or transfer, the purchaser, assignee or transferee (as applicable) assumes in writing all obligations of Tenet as set forth in the Asset Purchase Agreement with respect to the applicable Products.

Amended and Restated License Agreement with Cancer Research Technology Limited

In connection with the Asset Purchase Agreement, in January 2024 Tenet was assigned a license agreement with Cancer Research Technology Limited ("**CRH**") and, in connection with such assignment, Tenet entered into an amended and restated license agreement with CRH (the "**CRH Agreement**"). The CRH Agreement granted Tenet a worldwide exclusive license (other than specified patent rights and materials, which are licensed to Tenet on a non-exclusive basis) under certain know-how, patents and materials, or the licensed rights, to research, develop, test, manufacture or sell certain licensed products related to TNT119, for all therapeutic uses except for oncology indications. Tenet is permitted to grant a sublicense under these licenses with CRH's prior written consent. CRH retains, on behalf of itself and the charitable company Cancer Research U.K., a worldwide, fully paid-up, perpetual and irrevocable right in the licensed rights and in certain intellectual property owned or controlled by Tenet that is necessary to exploit the licensed products and used, conceived or generated in the course of exercising the license or exploiting any licensed product, or product-specific foreground intellectual property, for the purpose of non-commercial, non-clinical scientific research.

Tenet is obligated to use commercially reasonable efforts to perform all activities set forth in a mutually agreed-upon development plan within the timelines set forth therein. Tenet is also obligated to develop at least one licensed product in an autoimmune indication and to pursue worldwide regulatory authorization for licensed products. Tenet must use commercially reasonable efforts to commercialize each licensed product throughout each of the specified major markets as soon as practicable following receipt of regulatory authorization for such product in such market. Additionally, Tenet must make the licensed product available through the United Kingdom and negotiate with relevant regulatory authorities to make each licensed product available through the National Health Service in England and Wales within a specified time of the licensed product being made available elsewhere in the territory. If Tenet fails to meet one or more of these diligence obligations, and such failure is not remedied within the specified cure period, CRH shall have the right to terminate the CRH Agreement with respect to the relevant licensed product.

Tenet paid a signature fee to CRH of £0.4 million ($0.4 million) at the execution of the CRH Agreement, and Tenet is obligated to pay CRH a mid-five figure digit fee on each anniversary of the effective date. Tenet is obligated pay up to an aggregate of £106.8 million ($136.1 million) upon the achievement of specified development, regulatory, commercial and sales milestone events, including: (i) payments of up to mid-six figure digits in pounds sterling for certain development milestones, (ii) payments of up to low-eight figures in pounds sterling per indication (for up to three indications) for certain regulatory and commercial milestones and (iii) payments up to mid-eight figures in pounds sterling for certain sales milestones. Tenet is also obligated to pay tiered royalties ranging from a rate in the mid-single digit to high-single digit percentage on net sales. The royalty term continues for each licensed product on a country-by-country basis beginning on the first commercial sale of such licensed product and ending on the latest of (a) the date when such licensed product is no longer covered by a valid claim of a licensed patent in such country, (b) the expiration of the exclusivity period for such licensed product in such country, and (c) the tenth anniversary of the first commercial sale of such licensed product in such country. Tenet is also responsible for a sublicensing revenue payment ranging from a rate in the mid-single digit to mid-double digits for any sublicense revenue.

The agreement shall remain in effect in each country in the territory until the expiry of Tenet's obligation to pay royalties in such country. Either party may terminate this agreement if the other party is in material breach that has not been remedied within the specified cure period or if the other party becomes insolvent. CRH also has the right to terminate the agreement if Tenet or one of Tenet's sublicensees or affiliates challenges a licensed patent, or if Tenet is acquired by a tobacco company.

ProBioGen Development, Manufacturing Services and License Agreement

Under the Asset Purchase Agreement, Tenet was assigned a cell line development, manufacturing services and license agreement (the "**ProBioGen Agreement**") originally entered into by ValenzaBio and ProBioGen AG ("**ProBioGen**") in February 2021. Tenet did not make any separate payments for the assignment of the ProBioGen Agreement from Acelyrin.

The ProBioGen Agreement granted Tenet a non-exclusive license under certain know-how, patents and materials, to use cell lines in which ProBioGen's proprietary technology is applied, to research, develop, manufacture, use, sell, offer to sell, import or export TNT119. This license includes a non-exclusive sublicense by ProBioGen of certain third party patent rights, limited to the use of TNT119.

Tenet is obligated to (i) make payments of up to €10.0 million ($10.9 million) upon the achievement of certain development, manufacturing and commercial milestones, including the start of a Phase 2 clinical trial for TNT119, and (ii) make milestone payments of up to €7.0 million ($7.7 million) upon the achievement of certain sales milestones. If Tenet elects to contract ProBioGen to perform certain manufacturing services for TNT119, the milestone payments would be reduced by €0.9 million ($1.1 million). For the period from the assignment of the ProBioGen Agreement to March 31, 2024, no milestone payments had been accrued as the underlying milestones were not achieved.

The ProBioGen Agreement will remain in effect until the services are completed for the service-related component and until the payment obligations expire in connection with the commercial license component. Both parties have the right to terminate the ProBioGen Agreement if the other party becomes insolvent, or materially breaches the ProBioGen Agreement and fails to remedy such default within the specified cure period.

Intellectual Property

We strive to protect the proprietary technology, inventions and improvements that are commercially important to our business, including seeking, maintaining, and defending patent rights, whether developed internally or licensed from third parties. We also rely on know-how relating to our proprietary technology, product candidates and continuing innovation to develop, strengthen and maintain our proprietary position. In addition, we plan to rely on data exclusivity, market exclusivity and patent term extensions or adjustments when available. Our commercial success will depend in part on its ability to obtain and maintain patent and other proprietary protection for our technology, inventions and improvements; to defend and enforce our proprietary rights, including any patents that we may own or in-license in the future; and to operate without infringing the valid and enforceable patents and other proprietary rights of third parties. Intellectual property rights may not address all potential threats to our competitive advantage.

We intend, or understand that our licensors intend, to pursue patent protection covering, when possible, compositions, methods of use, dosing and formulations of TNT119 and other intellectual property rights. We or our licensors also may pursue patent protection with respect to manufacturing and drug development processes and technologies. Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies. We or our licensors may not be able to obtain patent protections for our compositions, methods of use, dosing and formulations, manufacturing and drug development processes and technologies throughout the world. Issued patents can provide protection for varying periods of time, depending upon the date of filing of the patent application, the date of patent issuance and the legal term of patents in the countries in which they are obtained. In general, patents issued for applications filed in the United States can provide exclusionary rights for 20 years from the earliest non-provisional or Patent Cooperation Treaty ("**PCT**") filing date. In addition, in certain instances, the term of an issued U.S. patent that is directed to or claims an FDA-approved product can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period, which is called "patent term extension." The restoration period cannot be longer than five years and the total patent term, including the restoration period, must not exceed 14 years following FDA approval. The term of patents outside of the United States varies in accordance with the laws of the jurisdiction, but typically is also 20 years from the earliest non-provisional or PCT filing date plus any extensions of term that may be available under national law. However, the actual protection afforded by a patent varies on a product-by-product basis, from country-to-country, and depends upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions, the availability of legal remedies in a particular country, and the validity and enforceability of the patent. Patent term may be inadequate to protect our competitive position on our products for an adequate amount of time.

The patent positions of companies are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the scope of claims allowable in patents in the field of biopharmaceuticals has emerged in the United States. The relevant patent laws and their interpretation outside of the United States are also uncertain. Changes in either the patent laws or their interpretation in the United States and other countries may diminish our ability to protect its technology or product candidates and could affect the value of such intellectual property. In particular, our ability to stop third parties from making, using, selling, offering to sell or importing products that infringe its intellectual property will depend in part on our success in obtaining and enforcing patent claims that cover our technology, inventions and improvements. We cannot guarantee that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications we or our licensors may file in the future, nor can we be sure that any patents that may be granted to us or our licensors in the future will be commercially useful in protecting our products, the methods of use or manufacture of those products. Moreover, even our issued patents do not guarantee us the right to practice our technology in relation to the commercialization of our products. Patent and other intellectual property rights in the pharmaceutical and biotechnology space are evolving and involve many risks and uncertainties. For example, third parties may have blocking patents that could be used to prevent us from commercializing our product candidates and practicing our proprietary technology, and our issued patents may be challenged, invalidated, deemed unenforceable or circumvented, which could limit our ability to stop competitors from marketing related products or could limit the term of patent protection that otherwise may exist for our product candidates. In addition, the scope of the rights granted under any issued patents may not provide us with protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may independently develop similar technologies that are outside the scope of the rights granted under any issued patents. For these reasons, we may face competition with respect to TNT119. Moreover, because of the extensive time required for development, testing and regulatory review of a potential product, it is possible that, before any particular product candidate can be commercialized, any patent directed to such product may expire or remain in force for only a short period following commercialization, thereby reducing the commercial advantage the patent provides.

In-licensed Patents and Patent Applications

As of May 10, 2024, Tenet exclusively in-licenses from CRH four issued U.S. patents and 56 foreign patents and/or patent applications. Tenet also non-exclusively in-licenses additional patents and patent applications. Each of the exclusively in-licensed patents and applications relates to TNT119, including its composition-of-matter, uses, dosage forms, methods of making, or its derivatives and uses thereof. The issued patents, or patents that may be issued from the pending patent applications that Tenet exclusively in-licenses from CRH are expected to expire in 2026, excluding any patent term adjustment that might be available following the grant of the patent and any patent term extensions that might be available following the grant of marketing authorizations.

However, there can be no assurance that any of the pending patent applications will issue. Furthermore, there can be no assurance that we will benefit from any patent term extension or favorable adjustments to the term of any of the issued patents or patents that may issue from any pending patent applications in the future. The applicable authorities, including the FDA in the United States and the United States Patent and Trademark Office ("**USPTO**"), may not agree with our assessment of whether such patent term extensions or adjustments should be granted, and, if granted, they may grant more limited extensions or adjustments than we request.

Sales and Marketing

We have not yet defined our sales, marketing or product distribution strategy for TNT119 because TNT119 is still in development. Our commercial strategy may include the use of strategic partners, distributors, a contract sales force or the establishment of our own commercial sales force. We plan to further evaluate these alternatives as we approaches approval for TNT119.

Competition

The development and commercialization of new drug products is highly competitive. Moreover, the immunology and inflammation field is characterized by rapidly changing technologies, significant competition, and a strong emphasis on intellectual property. We will face competition with respect to TNT119 from major pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies, and other public and private research organizations that conduct research, seek patent protection, and establish collaborative arrangements for research, development, manufacturing and commercialization.

There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing TNT119. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches.

Companies developing biologics and other modalities include Roche Holding AG (currently markets Rituxan (rituximab), which is used for a broad number of autoimmune diseases), Amgen (UPLINZA (inebilizumab) for the treatment of neuromyelitis optica spectrum disorder) and Ocrevus (ocrelizumab for the treatment of multiple sclerosis), each of which target CD20 on B cells, and others who have biologics aimed at other targets relevant to autoimmune diseases, including, for example, AbbVie, Johnson & Johnson, Bristol Myers Squibb and Novartis.

Many of our current or potential competitors, either alone or with their collaboration partners, may have significantly greater financial resources and expertise than we does in research and development, manufacturing, conducting clinical trials, obtaining regulatory approvals, and marketing approved products. Mergers and acquisitions in the pharmaceutical, biotechnology, and gene therapy industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management consultants and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize product candidates that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than TNT119 or that would render TNT119 obsolete or non-competitive. Our competitors also may obtain FDA or other regulatory approval for their product candidates more rapidly than we may obtain approval for TNT119, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, technologies developed by our competitors may render TNT119 uneconomical or obsolete, and we may not be successful in marketing TNT119 against competitors.

In addition, as a result of the expiration or successful challenge of our patent rights, we could face more litigation with respect to the validity and/or scope of patents relating to our competitors' products. The availability of our competitors' products could limit the demand, and the price we are able to charge, for TNT119.

If we successfully obtain approval for TNT119, we believe that the key competitive factors that will affect the success of these candidates will be efficacy, safety, tolerability, convenience, price and the availability of reimbursement from government and other third-party payors relative to such competing products. Our commercial opportunity could be reduced or eliminated if our competitors have products that are superior in one or more of these categories.

Government Regulation

FDA Regulation

The FDA and other regulatory authorities at federal, state, and local levels, as well as in foreign jurisdictions, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring, and post-approval reporting of all pharmaceutical. We, along with third-party contractors, will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of pharmaceutical products.

Licensure and Regulation of Biologics in the United States

In the United States, the FDA regulates biologics under both the Federal Food, Drug and Cosmetic Act and the Public Health Services Act and their implementing regulations. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or after approval, may subject an applicant to a variety of administrative or judicial sanctions, such as the FDA's refusal to approve a pending biologics license application ("**BLA**"), withdrawal of an approval, imposition of a clinical hold, issuance of untitled or warning letters, product recalls or withdrawals from the market, product seizures, total or partial suspension of production or distribution, injunctions, debarment, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties.

The process required by the FDA before biologic product candidates may be licensed for marketing in the United States generally involves the following:

- Completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's current good laboratory practices;
- submission to the FDA of an IND, which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an institutional review board ("**IRB**") or ethics committee for each clinical site before the trial may commence at that particular site;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practices ("**GCPs**") to establish the safety, purity and potency of the proposed biologic product candidate for its intended purpose;
- preparation of and submission to the FDA of a BLA after completion of all pivotal clinical trials that includes substantial evidence of safety, purity and potency in the target patient population, and identity, strength, quality, purity and potency of the proposed biologic product candidate for its intended purpose from results of nonclinical testing and clinical trials;
- a determination by the FDA within 60 days of its receipt of a BLA that the application is sufficiently complete to file for review;
- satisfactory completion of an FDA Advisory Committee review, if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the proposed product is produced to assess compliance with good manufacturing practice ("**cGMPs**") and to assure that the facilities, methods and controls are adequate to preserve the biological product's continued safety, purity and potency, and of selected clinical investigation sites to assess compliance with GCPs; and
- FDA review and approval of the BLA and licensure of the proposed product to permit commercial marketing of the product for particular indications for use in the United States.

FDA Regulation of the Clinical Development Program

Prior to beginning a clinical trial in the United States, a sponsor must submit an IND to the FDA. An IND is a request for authorization from the FDA to administer an investigational product to humans within a specific defined clinical study or studies. The central focus of an IND submission is on the general investigational plan and the protocol(s) for clinical studies. The IND also includes results of animal and in vitro studies assessing the toxicology, PK, pharmacology, and PD characteristics of the product candidate; chemistry, manufacturing, and controls ("**CMC**") information; and any available human data or literature to support the use of the investigational product. An IND must be cleared before human clinical trials may begin in the U.S. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or

questions about the proposed clinical trial, including any CMC issues. In such a case, the IND may be placed on clinical hold until the IND sponsor and the FDA resolve the outstanding concerns or questions. The FDA also may impose a partial clinical hold that would limit a trial, for example, to certain doses or for a certain length of time or to a certain number of subjects. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments. For new indications, a separate new IND may be required. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial, its informed consent form and other communications to study subjects before the clinical trial begins at that site. An IRB is charged with protecting the welfare and rights of trial participants and considers such items as whether the risks to individuals participating in the clinical trials are minimized and are reasonable in relation to anticipated benefits. The IRB must monitor the study until completed, including any changes to the study plans while it is being conducted.

Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk, the clinical trial is not being conducted in accordance with the FDA's or IRB's requirements, if the investigational product has been associated with unexpected serious harm to subjects or that the trial is unlikely to meet its stated objectives. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring committee, which provides advice to the sponsor on whether or not a study should move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. Information about some clinical trials, including a description of the trial and trial results, must be submitted within specific timeframes to the National Institutes of Health for public dissemination on their ClinicalTrials.gov website. Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. These reports must include a development safety update report. In addition, IND safety reports must be submitted to the FDA for any of the following: serious and unexpected suspected adverse reactions; findings from other trials or animal or in vitro testing that suggest a significant risk in humans exposed to the product; and any clinically important increase in the occurrence of a serious suspected adverse reaction over that listed in the protocol or investigator brochure.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined.

- Phase 1—The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dosage tolerance, absorption, metabolism, distribution and elimination of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.
- Phase 2—The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3—The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and labeling.

In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product. These post-approval or post-marketing studies may be made a condition to approval of the BLA. Concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate. In addition, the sponsor must develop and validate analytical methods for testing the identity, strength, quality and purity of the final product, or for biologics, the safety, purity and potency. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

In addition, under the Pediatric Research Equity Act ("**PREA**"), a BLA or supplement to a BLA must contain data to assess the safety and effectiveness of the investigational product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may grant deferrals for submission of data or full or partial waivers from the pediatric data requirements. A deferral may be granted for several reasons, including a finding that the investigational biologic is ready for approval for use in adults before pediatric trials are completed. The FDA is required to send a PREA Non-Compliance letter to sponsors who have failed to submit their pediatric assessments under PREA, have failed to seek or obtain a deferral or deferral extension or have failed to request approval for a required pediatric formulation. Unless otherwise required by regulation, PREA does not apply to any investigational product for an indication for which orphan designation has been granted, although the FDA has taken steps to limit what it considers abuse of this statutory exemption in PREA. The FDA also maintains a list of diseases that are exempt from PREA requirements due to low prevalence of disease in the pediatric population.

BLA Submission, Review and Approval

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, nonclinical studies and clinical trials are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications. The BLA must include all relevant data available from pertinent preclinical and clinical studies, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's CMC and proposed labeling, among other things. The submission of a BLA requires payment of a substantial application user fee to FDA, unless a waiver or exemption applies.

Once the FDA receives an application, it has 60 days to review the BLA to determine if it is substantially complete to permit a substantive review, before it accepts the BLA for filing. If the FDA determines that a BLA does not satisfy this standard, the FDA will issue a Refuse to File determination to the sponsor. The FDA may request additional information and studies, and the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth review of the BLA. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act ("**PDUFA**"), the FDA has 10 months from acceptance of filing in which to complete its initial review of a standard BLA and respond to the applicant, and six months from acceptance of filing for a priority BLA. The FDA does not always meet its PDUFA goal dates. The review process and the PDUFA goal date may be extended by three months or longer if the FDA requests that the BLA sponsor provides additional information or clarification regarding information already provided in the submission before the PDUFA goal date.

After the BLA is accepted for filing, the FDA reviews a BLA to determine, among other things, whether a product is safe, potent and pure, and whether the facility in which it is manufactured, processed, packed, or held meets standards designed to assure the product's continued quality standards. The FDA may convene an advisory committee to provide clinical insight on application review questions.

Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. If the FDA determines that the application, manufacturing process or manufacturing facilities are not

acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

After the FDA evaluates a BLA and conducts any necessary inspections, the FDA may issue an approval letter or a Complete Response letter ("**CRL**"). An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A CRL, which indicates that the review cycle is complete, will describe all of the deficiencies that the FDA has identified in the BLA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the CRL without first conducting required inspections, testing submitted product lots, and/or reviewing proposed labeling. In issuing the CRL, the FDA may recommend actions that the applicant might take to place the BLA in condition for approval, including requests for additional information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the BLA with a Risk Evaluation and Mitigation Strategy ("**REMS**"), to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling or the development of adequate controls and specifications. Once approved, the FDA may withdraw the product approval if compliance with pre-and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace. The FDA may require one or more post-market studies and surveillance to further assess and monitor the product's safety and effectiveness after commercialization, and may limit further marketing of the product based on the results of these post-marketing studies.

Expedited Development and Review Programs

The FDA is authorized to expedite the review of applications in several ways. While none of these expedited programs changes the standards for approval, each may help expedite the development or approval process governing product candidates. A product is eligible for priority review if the FDA determines that it has the potential to provide safe and effective therapy where no satisfactory alternative therapy exists or to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. For products containing new molecular entities, priority review designation means the FDA's goal is to take action on the marketing application within six months of the 60-day filing date (compared with ten months under standard review).

To be eligible for a fast track designation, the FDA must determine, based on the request of a sponsor, that a product is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address an unmet medical need by providing a therapy where none exists or a therapy that may be potentially superior to existing therapy based on efficacy or safety factors. Fast track designation provides additional opportunities for frequent interactions with the FDA review team to expedite development and review of the product. The FDA may also review sections of the BLA for a fast track product on a rolling basis before the complete application is submitted, if the sponsor and FDA agree on a schedule for the submission of the application sections, and the sponsor pays any required user fees upon submission of the first section of the BLA. The review clock does not begin until the final section of the BLA is submitted. The FDA may decide to rescind the fast track designation if it determines that the qualifying criteria no longer apply.

In addition, a sponsor can request designation of a product candidate as a "breakthrough therapy." A breakthrough therapy is defined as a drug or biologic that is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug or biologic may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Products

designated as breakthrough therapies are eligible for intensive guidance from the FDA on an efficient development program, organizational commitment to the development and review of the product including involvement of senior managers, and, like fast track products, are also eligible for rolling review of the BLA. Both fast track and breakthrough therapy products may also be eligible for accelerated approval and/or priority review if relevant criteria are met.

Additionally, products studied for their safety, potency and purity in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. Under the Food and Drug Omnibus Reform Act of 2022 ("**FDORA**"), the FDA may require, as appropriate, that such trials be underway prior to approval or within a specific time period after the date of approval for a product granted accelerated approval. Under FDORA, the FDA has increased authority for expedited procedures to withdraw approval of a product or indication approved under accelerated approval if, for example, the confirmatory trial fails to verify the predicted clinical benefit of the product. In addition, for products being considered for accelerated approval, the FDA generally requires, unless otherwise informed by the FDA, that all advertising and promotional materials intended for dissemination or publication within 120 days of marketing approval be submitted to the FDA for review during the pre-approval review period, which could adversely impact the timing of the commercial launch of the product.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review and approval will not be shortened. Furthermore, priority review, fast track designation, breakthrough therapy designation, and accelerated approval do not change the standards for approval but may expedite the development or approval process.

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, which is a disease or condition that affects fewer than 200,000 individuals in the United States, or more than 200,000 individuals in the United States for which there is no reasonable expectation that the cost of developing and making available in the United States a drug or biologic for this type of disease or condition will be recovered from sales in the United States for that drug or biologic. Orphan designation must be requested before submitting a BLA. After the FDA grants orphan designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. The orphan drug designation does not convey any advantage in, or automatically shorten the duration of, the regulatory review or approval process.

If a product 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 exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same product for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity. Orphan exclusivity does not prevent the FDA from approving a different drug or biologic for the same disease or condition, or the same drug or biologic for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the BLA application fee.

A designated orphan product may not receive orphan exclusivity if it is approved for a use that is broader than the indication for which it received orphan designation. In addition, exclusive marketing rights in the United States may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition.

The FDA and Congress may further reevaluate the Orphan Drug Act and its regulations and policies. This may be particularly true in light of a decision from the Court of Appeals for the 11th Circuit in 2021 finding that, for the purpose of determining the scope of exclusivity, the term "same disease or condition" means the designated "rare disease or condition" and could not be interpreted by the FDA to mean the "indication or use." On January 23, 2023, the FDA announced that, in matters beyond the scope of that court order, the FDA will continue to apply its existing regulations tying orphan-drug exclusivity to the uses or indications for which the orphan drug was approved.

Pediatric Exclusivity

Pediatric exclusivity is another type of non-patent exclusivity in the United States and for biologics, if granted, provides for the attachment of an additional six months of regulatory exclusivity to the term of any existing regulatory exclusivity, including orphan exclusivity. This six-month exclusivity may be granted if a BLA sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The data do not need to show the product to be effective in the pediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. If reports of requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity that cover the product are extended by six months.

Biosimilars and Reference Product Exclusivity

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act signed into law in 2010, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009 ("**BPCIA**"), which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-approved reference biological product. To date, a number of biosimilars have been licensed under the BPCIA, and numerous biosimilars have been approved in Europe. The FDA has issued several guidance documents outlining its approach to the review and approval of biosimilars. Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency, can be shown through analytical studies, animal studies, and a clinical study or studies. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the biologic and the reference biologic may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. Complexities associated with the larger, and often more complex, structures of biological products, as well as the processes by which such products are manufactured, pose significant hurdles to implementation of the abbreviated approval pathway that are still being worked out by the FDA.

Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing that applicant's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product. The BPCIA also created certain exclusivity periods for biosimilars approved as interchangeable products. At this juncture, it is unclear whether products deemed "interchangeable" by the FDA will, in fact, be readily substituted by pharmacies, which are governed by state pharmacy law.

The BPCIA is complex and continues to be interpreted and implemented by the FDA. In addition, government proposals have sought to reduce the 12-year reference product exclusivity period. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. As a result, the ultimate impact, implementation, and impact of the BPCIA is subject to significant uncertainty.

Patent Term Restoration and Extension

In the United States, a patent claiming a new biologic product, its method of use or its method of manufacture may be eligible for a limited patent term extension under the Drug Price Competition and Patent Term Restoration Act, which permits a patent extension of up to five years for patent term lost during product development and FDA regulatory review. Assuming grant of the patent for which the extension is sought, the restoration period for a patent covering a product is typically one-half the time between the effective date of the IND clearing clinical studies and the submission date of the BLA, plus the time between the submission date of the BLA and the ultimate approval

date. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date in the United States. Only one patent applicable to an approved product is eligible for the extension, and the application for the extension must be submitted prior to the expiration of the patent for which extension is sought. A patent that covers multiple products for which approval is sought can only be extended in connection with one of the approvals. The USPTO reviews and approves the application for any patent term extension in consultation with the FDA.

U.S. Foreign Corrupt Practices Act

The U.S. Foreign Corrupt Practices Act, to which we are subject, prohibits corporations and individuals from engaging in certain activities to obtain or retain business or to influence a person working in an official capacity.

It is illegal to pay, offer to pay or authorize the payment of anything of value to any foreign government official, government staff member, political party or political candidate in an attempt to obtain or retain business or to otherwise influence a person working in an official capacity.

Risk Factors Related to the Acquired Tenet Business and the Company Post-Closing

*You should carefully consider the following risk factors, in addition to other risk factors and information described in the Annual Report on Form 10-K of Eliem Therapeutics, Inc. ("**Eliem**") for the year ended December 31, 2023, as filed with the SEC on March 28, 2024, and in the Quarterly Report on Form 10-Q of Eliem for the quarterly period ended March 31, 2024, as filed with the SEC on May 15, 2024, and in other filings that Eliem makes with the Securities and Exchange Commission ("**SEC**") in evaluating Eliem and its business.*

Background

On June 27, 2024, Eliem completed its acquisition of Tenet Medicines, Inc. ("**Tenet**"), in accordance with an Agreement and Plan of Merger and Reorganization, dated as of April 10, 2024 (the "**Acquisition Agreement**"), by and among Eliem, Tango Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Eliem ("**Transitory Subsidiary**"), Tenet, and, solely in his capacity as Tenet equityholder representative, Stephen Thomas, providing for the acquisition of Tenet by Eliem through the merger of Transitory Subsidiary into Tenet, with Tenet surviving as a wholly owned subsidiary of Eliem (the "**Acquisition**"). In addition, on April 10, 2024, Eliem entered into a Securities Purchase Agreement with several accredited institutional investors (the "**PIPE Investors**"), pursuant to which, on June 27, 2024, Eliem issued an aggregate of 31,238,282 shares of Eliem common stock to the PIPE Investors (the "**Private Placement**").

Following the closing of the Acquisition, Tenet became a wholly owned subsidiary of Eliem and Eliem's business included the business conducted by Tenet immediately prior to the Acquisition, including the advancement of TNT119, and Tenet's agreements and arrangements effectively became agreements and arrangements of Eliem. Unless the context indicates otherwise, all references in the following risk factors to "Eliem" and "Post-Closing Eliem" refer to Eliem Therapeutics, Inc. and its wholly owned subsidiaries after the effective time of the Acquisition, and all references to Tenet refer to Tenet Medicines, Inc. prior to the effective time of the Acquisition.

Summary of Risk Factors

Risks Related to Tenet

- There may be substantial delays in future clinical trials of TNT119 or TNT119 may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.
- Preliminary, initial, or interim results from clinical trials that Tenet announces, presents, or publishes from time to time may change as more data and information become available (or are updated based upon audit, validation and verification procedures of the data/information commonly performed for clinical trials) that could result in material changes in the final trial results.
- Tenet's success depends on its ability to protect its intellectual property and TNT119.
- Tenet relies heavily on certain in-licensed patents and other intellectual property rights in connection with its development of TNT119 and may be required to acquire or license additional patents or other intellectual property rights to continue to develop and commercialize TNT119.

Risks Related to Post-Closing Eliem

- After the Acquisition, Post-Closing Eliem is highly dependent on the success of TNT119. If Post-Closing Eliem is unable to successfully complete clinical development of, obtain regulatory approval for, or commercialize, TNT119, or if Post-Closing Eliem experiences delays in doing so, it will be materially harmed.
- Eliem stockholders may not realize a benefit from the Acquisition and the Private Placement commensurate with the ownership dilution they experienced in connection with the Acquisition and the Private Placement.

- Post-Closing Eliem will need to raise additional financing in the future to fund its operations, which may not be available to it on favorable terms or at all.
- The market price of Post-Closing Eliem common stock may be volatile, and the market price of the common stock may drop following the Acquisition.
- After completion of the Acquisition, Post-Closing Eliem's executive officers, directors and principal stockholders, including RA Capital Management, L.P. (together with certain of its affiliated funds, "**RA Capital Management**"), will have the ability to control or significantly influence all matters submitted to Post-Closing Eliem stockholders for approval.
- Post-Closing Eliem will have broad discretion in the use of the cash and cash equivalents of Post-Closing Eliem and the proceeds from the Private Placement, and Post-Closing Eliem may invest or spend the proceeds in ways with which you do not agree and in ways that may not increase the value of your investment.

Risks Related to Tenet

Risks Related to Tenet's Development of TNT119

There may be substantial delays in conducting future clinical trials of TNT119 in Tenet's intended indications or TNT119 may fail to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities.

Before obtaining marketing approval from regulatory authorities for the sale of TNT119, Tenet must collect sufficient safety and efficacy data from preclinical studies and conduct extensive clinical trials of TNT119 for its intended indications. Clinical testing is expensive, time-consuming and uncertain as to outcome. Tenet cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of testing. Events that may prevent successful or timely completion of clinical development include:

- inadequacy of or changes in Tenet's manufacturing process or formulation of TNT119;
- delays in reaching a consensus with regulatory authorities on trial design, including the planned investigational new drug application ("**IND**") submission for TNT119 for systemic lupus erythematosus ("**SLE**") and immune thrombocytopenia ("**ITP**") and the potential for a delay in initiation of the related Phase 2 studies of TNT119 for SLE and ITP and any preclinical or nonclinical studies required in support of an IND submission for TNT119;
- delays in enrolling patients in clinical trials;
- delays in reaching agreement on acceptable terms with prospective contract research organizations ("**CROs**") and clinical trial sites;
- delays in opening clinical trial sites or obtaining required institutional review board ("**IRB**") or independent ethics committee approval at each clinical trial site;
- delays in recruiting suitable subjects to participate in Tenet's clinical trials, including because such trials have restrictive eligibility criteria or may be controlled trials and patients are not guaranteed to receive TNT119, or as a result of alternative therapies or competing trials;
- failure by Tenet, any CROs it engages or any other third parties to adhere to clinical trial requirements;
- failure to perform in accordance with good clinical practices ("**GCPs**"), or applicable regulatory guidelines in other countries;

- delays in the testing, validation, manufacturing and delivery of TNT119 to the clinical sites, including delays by third parties with whom Tenet has contracted to perform certain of those functions;
- delays in subjects completing participation in a trial or returning for post-treatment follow-up;
- clinical trial sites or subjects dropping out of a trial;
- selection of clinical endpoints that require prolonged periods of clinical observation or analysis of the resulting data;
- imposition of a clinical hold by regulatory authorities as a result of a serious adverse event, or after an inspection of Tenet's clinical trial operations, trial sites or manufacturing facilities or otherwise;
- occurrence of serious adverse events in trials of the same class of agents conducted by other sponsors;
- delays as a result of public health crises, or from the outbreak of another pandemic or contagious disease or other global instability could delay the initiation or rate of completion of any clinical trial; or
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols.

In addition, the U.S. Food and Drug Administration's ("**FDA**") and other regulatory authorities' policies with respect to clinical trials may change and additional government regulations may be enacted. If Tenet is slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, its development plans may be impacted. Tenet's product development costs will increase if it experiences delays in testing or marketing approvals. In addition, if Tenet makes manufacturing or other changes to TNT119, Tenet may need to conduct additional studies to bridge such new formulation of TNT119 to earlier versions. For example, Tenet expects it will need to conduct additional non-clinical studies of TNT119 to bridge its new planned formulation of TNT119 to its earlier formulation. Tenet does not know whether any of its clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Tenet may also determine to change the design or protocol of one or more of its clinical trials, which could result in delays. Significant clinical trial delays with respect to TNT119 could also shorten any periods during which Tenet may have the exclusive right to commercialize TNT119 or allow its competitors to bring products to market before Tenet does and impairs its ability to successfully commercialize TNT119.

Tenet may find it difficult to enroll and/or retain patients in its future clinical trials, which could delay or prevent Tenet from proceeding with clinical trials and its clinical development activities.

Tenet may not be able to initiate or continue its planned clinical trials on a timely basis or at all if it is unable to recruit and enroll a sufficient number of eligible patients to participate in these trials through completion of such trials as required by the FDA or other comparable foreign regulatory authorities. Patient enrollment is a significant factor in the timing of clinical trials. Tenet's ability to enroll eligible patients may be limited or may result in slower enrollment than it anticipates. There may be limited patient pools from which to draw for clinical studies. Patient enrollment for Tenet's current or any future clinical trials may be affected by other factors, including:

- the patient eligibility criteria defined in the protocol;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the proximity of patients to trial sites;
- the design of the trial;
- the availability and efficacy of approved drugs for the disease under investigation;

- perceived risks and benefits of the product candidate under study;
- Tenet's ability to recruit clinical trial investigators with the appropriate competencies and experience;
- competing clinical trials and clinicians' and patients' perceptions as to the potential advantages and risks of the product candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications that Tenet is investigating;
- Tenet's ability to obtain and maintain patient consents;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment;
- proximity and availability of clinical trial sites for prospective patients; and
- the risk that patients enrolled in clinical trials will drop out of the clinical trials before completion.

In addition, Tenet's clinical trials may compete with other clinical trials for product candidates that are in the same therapeutic areas as TNT119, and this competition would reduce the number and types of patients available to Tenet because some patients who might have opted to enroll in Tenet's clinical trials may instead opt to enroll in a clinical trial being conducted by one of its competitors. Since the number of qualified clinical investigators is limited, Tenet expects to conduct some of its clinical trials at the same clinical trial sites that some of its competitors use, which will reduce the number of patients who are available for Tenet's clinical trials in such clinical trial site.

Tenet's inability to enroll a sufficient number of patients for its clinical trials would result in significant delays or might require it to abandon one or more clinical trials altogether. Delays in patient enrollment may result in increased costs, affect the timing or outcome of the planned clinical trials, product candidate development and approval process and jeopardize Tenet's ability to seek and obtain the regulatory approval required to commence product sales and generate revenue, which could prevent completion of these trials, adversely affect Tenet's ability to advance the development of TNT119, cause the value of its company to decline and limit its ability to obtain additional financing if needed. Furthermore, even if Tenet is able to enroll a sufficient number of patients for its clinical trials, it may have difficulty maintaining participation in its clinical trials through the treatment and any follow-up periods.

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

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

From time to time, Tenet may announce, present or publish preliminary, initial, or interim data or other information from its clinical trials, such as the preliminary data from the Phase 1b clinical trial of TNT119 for the treatment of membranous nephropathy ("**MN**"). Any such data and other results from Tenet's clinical trials may materially change as more patient data and information become available. Such data and information may also undergo significant change following subsequent auditing, validation and/or verification procedures that are commonly conducted in clinical trials. Thus, any preliminary, initial, or interim data or other information may not be predictive of final results from the clinical trial and should be viewed with caution until the final data are available. Tenet may also arrive at different conclusions, or other determinations that may qualify such results, once it has received and fully evaluated the additional data. Differences between preliminary, initial or interim results and final results could lead to significantly different interpretations or conclusions of the trial outcomes.

Further, others, including regulatory authorities and collaboration or regional partners, may not accept or agree with Tenet's assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of TNT119, the approvability or commercialization of TNT119, and Tenet, in general. In addition, the information Tenet chooses to publicly disclose regarding a particular clinical trial is based on what is typically extensive information, and investors may not agree with what Tenet determines is material or otherwise appropriate information to publicly disclose.

If the preliminary, initial or interim data that Tenet reports differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, Tenet's ability to obtain approval for, and commercialize TNT119 may be harmed, which could significantly harm Tenet's reputation, business, results of operations, financial condition and prospects.

TNT119 may cause adverse events and/or undesirable side effects or have other properties that could delay or prevent its regulatory approval, limit its commercial potential or result in significant negative consequences following any potential marketing approval.

Certain adverse events and undesirable side effects caused by TNT119 could cause Tenet or regulatory authorities to interrupt, delay or pause clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or other comparable foreign regulatory authorities. If undesirable side effects do occur in Tenet's clinical trials, they could cause delay or even discontinuance of further development of TNT119, which would impair Tenet's ability to generate revenues and would have a material adverse effect on its business, results of operations, financial condition and cash flows and future prospects.

As a result of undesirable side effects or further safety issues that Tenet may experience in its clinical trials in the future, it may not receive approval to market TNT119, which could prevent it from ever generating revenues or achieving profitability. Results of trials could reveal an unacceptably high severity and prevalence of side effects. In such an event, clinical trials could be suspended or terminated, and the FDA or comparable foreign regulatory authorities could order Tenet to cease further development of, or deny approval of, TNT119 for any or all targeted indications. The drug-related side effects could affect patient recruitment or the ability of enrolled subjects to complete the trial or result in potential product liability claims. Any of these occurrences may have a material adverse effect on Tenet's business, results of operations, financial condition and cash flows and future prospects.

Additionally, even if TNT119 receives marketing approval, if Tenet or others later identify undesirable side effects caused by TNT119, a number of potentially significant negative consequences could result, including:

- Tenet may suspend or be forced to suspend marketing of TNT119;
- regulatory authorities may suspend, vary or withdraw their approvals of TNT119;
- Tenet may be obliged to conduct a product recall or product withdrawal;
- regulatory authorities may require additional warnings on the label that could diminish the usage or otherwise limit the commercial success of TNT119;
- the FDA or other regulatory bodies may issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings about TNT119;
- the FDA may require the establishment or modification of a Risk Evaluation and Mitigation Strategy ("**REMS**") or a comparable foreign regulatory authority may require the establishment or modification of a similar strategy that may, for instance, restrict distribution of TNT119 and impose burdensome implementation requirements on Tenet;
- Tenet may be required to change the way TNT119 is administered or conduct additional post-marketing clinical trials;

- Tenet could be sued and held liable for harm caused to subjects or patients;
- Tenet could be required to pay fines and face other administrative, civil and criminal penalties;
- Tenet may be subject to litigation or product liability claims; and
- Tenet's reputation may suffer.

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

Tenet faces significant competition in an environment of rapid technological change, and there is a possibility that its competitors may achieve regulatory approval before it or develop therapies that are safer, less expensive or more advanced or effective than Tenet, which may harm its financial condition and its ability to successfully market or commercialize TNT119.

The development and commercialization of new drug products is highly competitive. Moreover, the immunology and inflammation field is characterized by rapidly changing technologies, significant competition, and a strong emphasis on intellectual property. Tenet will face competition with respect to TNT119 from major pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies, and other public and private research organizations that conduct research, seek patent protection, and establish collaborative arrangements for development, manufacturing, and commercialization.

There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which Tenet is developing TNT119. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to Tenet's approach, and others are based on entirely different approaches.

Companies developing biologics and other modalities include Roche Holding AG (currently markets Rituxan (rituximab), which is used for a broad number of autoimmune diseases), Amgen (UPLINZA (inebilizumab) for the treatment of neuromyelitis optica spectrum disorder) and Ocrevus (ocrelizumab for the treatment of multiple sclerosis), each of which target CD20 on B cells), and others who have biologics aimed at other targets relevant to autoimmune diseases, including, for example, AbbVie, Johnson & Johnson, Bristol Myers Squibb and Novartis.

If Tenet successfully develops and commercializes TNT119, it will compete with existing therapies and new therapies that may become available in the future that are approved to treat the same diseases for which Tenet may obtain approval for TNT119. This may include other types of therapies, such as small molecule, chimeric antigen receptor T cells ("**CAR-T**"), antibody, and/or protein therapies.

Many of Tenet's current or potential competitors, either alone or with their collaboration partners, may have significantly greater financial resources and expertise than it does in research and development, manufacturing, conducting clinical trials, obtaining regulatory approvals, and marketing approved products. Mergers and acquisitions in the pharmaceutical, biotechnology, and gene therapy industries may result in even more resources being concentrated among a smaller number of Tenet's competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with Tenet in recruiting and retaining qualified scientific and management consultants and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, Tenet's programs. Tenet's commercial opportunity could be reduced or eliminated if its competitors develop and commercialize product candidates that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than TNT119 or that would render TNT119 obsolete or non-competitive. Tenet's competitors also may obtain FDA or other regulatory approval for their product candidates more rapidly than Tenet may obtain approval for TNT119, which could result in its competitors establishing a strong market position before Tenet is able to enter the market. Additionally, technologies developed by Tenet's competitors may render TNT119 uneconomical or obsolete, and Tenet may not be successful in marketing TNT119 against competitors.

In addition, as a result of the expiration or successful challenge of Tenet's patent rights, Tenet could face more litigation with respect to the validity and/or scope of patents relating to its competitors' products. The availability of Tenet's competitors' products could limit the demand, and the price Tenet is able to charge, for TNT119.

Tenet's estimates of market opportunity and forecasts of market growth for TNT119 may prove to be inaccurate, and even if the markets in which Tenet compete achieve the forecasted growth, its business may not grow at similar rates, or at all.

Tenet's market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates which may not prove to be accurate. Tenet currently focuses its research and product development on TNT119 for the treatment of MN, ITP and SLE. Tenet's understanding of the patient populations with these diseases is based on estimates in published literature. These estimates, and Tenet's estimates and forecasts relating to size and expected growth based on these estimates, may prove to be incorrect and new studies may reduce the estimated incidence or prevalence of these diseases. The number of patients in the United States and elsewhere may turn out to be lower than expected, patients may not be otherwise amenable to treatment with TNT119 or patients may become increasingly difficult to identify and access. Even if the patient populations meet Tenet's size estimates and growth forecasts, its business may not grow at similar rates, or at all. Tenet's growth is subject to many factors, including its success in implementing its business strategy, which is subject to many risks and uncertainties.

Tenet's revenue will be dependent, in part, upon the size of the markets in the territories for which Tenet gains regulatory approval, the accepted price for TNT119, the ability to obtain coverage and reimbursement, the ability to gain market share and whether Tenet owns the commercial rights for that territory. If the number of its addressable patients is not as significant as Tenet estimates, the indication approved by regulatory authorities is narrower than Tenet expects or the treatment population is narrowed by competition, physician choice or treatment guidelines, Tenet may not generate significant revenue from sales of TNT119, even if approved.

Further, there are several factors that could contribute to making the actual number of patients who receive TNT119 less than the potentially addressable market. These include the lack of widespread availability of, and limited reimbursement for, new therapies in many underdeveloped markets.

Tenet has no experience in sales, marketing and distribution and may have to enter into agreements with third parties to perform these functions, which could prevent it from successfully commercializing TNT119.

Tenet currently has no sales, marketing or distribution capabilities. To commercialize TNT119, Tenet must either develop its own sales, marketing and distribution capabilities or make arrangements with third parties to perform these services for it. If Tenet decides to market or distribute TNT119 on its own, it will have to commit significant resources to developing a marketing and sales force and supporting distribution capabilities. If Tenet decides to enter into arrangements with third parties for performance of these services, it may find that they are not available on terms acceptable to it, or at all. If Tenet is not able to establish and maintain successful arrangements with third parties or build its own sales and marketing infrastructure, it may not be able to commercialize TNT119, which would adversely affect its business, results of operations, financial condition and cash flows and prospects.

Risks Related to Regulatory Matters

Tenet has received orphan drug designation for TNT119 for the treatment of MN, but it may be unable to realize the benefits associated with orphan drug designation, including market exclusivity.

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States when there is no reasonable expectation that the cost of developing and making available the drug or biologic in the United States will be recovered from sales in

the United States for that drug or biologic. In order to obtain orphan drug designation, the request must be made before submitting a biologics license application ("**BLA**"). In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and user-fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

If a product that has orphan drug designation subsequently receives the first FDA approval of that particular product for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a BLA, to market the same biologic (meaning, a product with the same principal molecular structural features) for the same indication for seven years, except in limited circumstances such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. As a result, even if TNT119 receives orphan exclusivity, the FDA can still approve other biologics that do not have the same principal molecular structural features for use in treating the same indication or disease or the same biologic for a different indication or disease during the exclusivity period. Furthermore, the FDA can waive orphan exclusivity if Tenet is unable to manufacture sufficient supply of TNT119 or if a subsequent applicant demonstrates clinical superiority over TNT119.

The FDA granted orphan drug designation to TNT119 for the treatment of MN. Tenet may seek orphan drug designation for TNT119 in other specific orphan indications in which there is a medically plausible basis for the use of TNT119 but may never receive such designations. In addition, even with orphan drug designation, exclusive marketing rights in the United States may be limited if Tenet seeks approval for an indication broader than the orphan designated indication and may be lost if the FDA later determines that the request for designation was materially defective or if Tenet is unable to assure sufficient quantities of TNT119 to meet the needs of patients with the rare disease or condition, or if a subsequent applicant demonstrates clinical superiority over TNT119, if approved.

Tenet plans to conduct clinical trials at sites outside the United States. The FDA may not accept data from trials conducted in such locations, and the conduct of trials outside the United States could subject Tenet to additional delays and expense.

Tenet plans to conduct one or more clinical trials with one or more trial sites that are located outside the United States. The acceptance by the FDA or other regulatory authorities of trial data from clinical trials conducted outside their jurisdiction may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the sole basis for marketing approval in the U.S., the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations; and (iii) the data may be considered valid without the need for an on-site inspection by the FDA, or if the FDA considers such inspection to be necessary, the FDA is able to validate the data through an on-site inspection or other appropriate means.

In addition, even where the foreign trial data are not intended to serve as the sole basis for approval, the FDA will not accept the data as support for an application for marketing approval unless the trial is well-designed and well-conducted in accordance with GCP requirements and the FDA is able to validate the data from the trial through an onsite inspection if deemed necessary. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the U.S. or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in current or future product candidates that Tenet may develop not receiving approval for commercialization in the applicable jurisdiction.

Conducting clinical trials outside the U.S. will also expose Tenet to additional risks, including risks associated with:

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

Tenet's failure to obtain regulatory approval in foreign jurisdictions would prevent Tenet from marketing TNT119 or any potential future product candidates outside the U.S.

If Tenet succeeds in developing TNT119, it intends to market TNT119 in foreign jurisdictions in addition to the U.S. In order to market and sell products in other jurisdictions, Tenet must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the U.S. generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the U.S., Tenet must secure product pricing and reimbursement approvals before regulatory authorities will approve the product for sale in that country. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for Tenet and could delay or prevent the introduction of TNT119 in certain countries. Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries and regulatory approval in one country does not ensure approval in any other country, while a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory approval process in others. If Tenet fails to obtain approval of TNT119 or any potential future product candidates by regulatory authorities in another country, Tenet will be unable to commercialize its products in that country, and the commercial prospects of that product candidate and Tenet business prospects could decline. In addition, failure to obtain regulatory approval in one country or region could adversely affect future regulatory approvals in other countries.

Risks Related to Tenet's Dependence on Third Parties

Tenet relies on third parties to conduct its clinical trials and development activities and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

Tenet relies on third parties, such as CROs, clinical data management organizations, medical institutions and clinical investigators, and Tenet expects to rely on third parties to help conduct its Phase 2 clinical trials of TNT119 for the treatment of SLE and ITP. Any of these third parties may terminate their engagements with Tenet at any time under certain criteria. If Tenet needs to enter into alternative arrangements, it may delay its product development activities for TNT119.

Tenet's reliance on these third parties to conduct its future clinical trials will reduce its control over these activities but will not relieve Tenet of its responsibilities. For example, Tenet will remain responsible for ensuring that each of its clinical trials is conducted in accordance with the general investigational plan and protocols for the clinical trial. Moreover, the FDA and other regulatory authorities require Tenet to comply with GCPs 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. Moreover, Tenet's business may be implicated if any of these third parties violates federal or state fraud and abuse or false claims laws and regulations or healthcare privacy and security laws.

Although Tenet may design potential clinical trials for TNT119, CROs will conduct some or all of the clinical trials. As a result, many important aspects of its development program for TNT119, including its conduct and timing, will be outside of Tenet's direct control. Tenet's reliance on third parties to conduct future clinical trials for TNT119 will also result in less direct control over the management of data developed through such clinical trials than would be the case if Tenet was relying entirely upon its own staff. Communicating with third parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities.

Third parties may:

- have staffing difficulties;
- fail to comply with contractual obligations;
- experience regulatory compliance issues;
- undergo changes in priorities or become financially distressed; or
- form relationships with other entities, some of which may be Tenet's competitors.

These factors may materially and adversely affect the willingness or ability of third parties to conduct future clinical trials for Tenet and may subject Tenet to unexpected cost increases that are beyond Tenet's control. If CROs and other third parties that Tenet contracts with do not perform future clinical trials in a satisfactory manner, breach their obligations to Tenet or fail to comply with regulatory requirements, the development, regulatory approval and commercialization of TNT119 may be delayed, Tenet may not be able to obtain regulatory approval and commercialize TNT119. If Tenet is unable to rely on clinical data collected by its CROs and other third parties, Tenet could be required to repeat, extend the duration of, or increase the size of its clinical trials and this could significantly delay commercialization and require greater expenditures, which could have a material adverse effect on its business, result of operations, financial condition and cash flows, and future prospects.

Tenet also expects to rely on third parties to store and distribute drug supplies for its clinical trials. Any performance failure on the part of its distributors could delay any potential clinical development or marketing approval of TNT119 or commercialization, producing additional losses and depriving Tenet of potential product revenue.

Tenet contracts with third parties for the manufacture of materials and expects to continue to do so for its clinical trials and for commercialization of TNT119. This reliance on third parties increases the risk that Tenet will not have sufficient quantities of such materials or that such supply will not be available to Tenet at an acceptable cost or timelines, which could delay, prevent, or impair its development or commercialization efforts.

Tenet does not have any manufacturing facilities. Tenet currently relies and expects to continue to rely on third party manufacturers for the manufacture of TNT119 for nonclinical and clinical testing and for commercial supply of TNT119, if approved.

Tenet may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms for one or more of its material needs. Even if Tenet is able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the possible failure of the third party to manufacture TNT119 according to Tenet's schedule, or at all, including if the third party gives greater priority to the supply of other products over TNT119 or otherwise do not satisfactorily perform according to the terms of the agreements between Tenet and them;
- the possible breach of the manufacturing agreement by the third party;
- the possible misappropriation of Tenet's proprietary information, including Tenet's trade secrets and know-how;
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for Tenet; and
- reliance on the third party for regulatory compliance, quality assurance, safety, and pharmacovigilance and related reporting.

Although Tenet plans to design the clinical trials for TNT119, Tenet anticipates that third parties will conduct all of its clinical trials. As a result, many important aspects of Tenet's clinical development will be outside of its direct control. Tenet's reliance on third parties to conduct clinical trials will also result in less direct control over the management of data developed through clinical trials than would be the case if it were relying entirely upon its own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes as well as difficulties in coordinating activities. Outside parties may have staffing difficulties, fail to comply with contractual obligations, experience regulatory compliance issues, and form relationships with other entities, some of which may be Tenet's competitors. These factors may materially adversely affect the willingness or ability of third parties to conduct Tenet's clinical trials and may subject it to unexpected cost increases that are beyond its control.

Any performance failure on the part of Tenet's existing or future manufacturers could delay any potential clinical development or marketing approval. Tenet does not currently have arrangements in place for redundant supply for bulk drug substances. If any one of its current contract manufacturers cannot perform as agreed, Tenet may be required to replace that manufacturer, or Tenet may be forced to manufacture the materials itself, for which it may not have the capabilities or resources, or enter into an agreement with a different third-party manufacturer, which Tenet may not be able to do on reasonable terms, if at all. In either scenario, Tenet's clinical trials supply could be delayed significantly as it establishes alternative supply sources. In some cases, the technical skills required to manufacture TNT119 may be unique or proprietary to the original third-party manufacturer and Tenet may have difficulty, or there may be contractual restrictions prohibiting Tenet from, transferring such skills to a back-up or alternate supplier, or Tenet may be unable to transfer such skills at all. In addition, if Tenet is required to change third-party manufacturers for any reason, Tenet will be required to verify that the new third-party manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations. Tenet will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce TNT119 according to the specifications previously submitted to the FDA or another regulatory authority. The delays associated with the verification of a new third-party manufacturer could negatively affect its ability to develop or commercialize TNT119 in a timely manner or within budget. Furthermore, a third-party manufacturer may possess technology related to the manufacture of TNT119 that such third-party manufacturer owns independently. This would increase Tenet's reliance on such third-party manufacturer or require Tenet to obtain a license from such third-party manufacturer in order to have another third-party manufacturer manufacture TNT119. In addition, changes in manufacturers often involve changes in manufacturing procedures and processes, which could require that Tenet conduct bridging studies between its prior clinical supply used in its clinical trials and that of any new manufacturer. Tenet may be unsuccessful in demonstrating the comparability of clinical supplies which could require the conduct of additional clinical trials.

Tenet's current and anticipated future dependence upon others for the manufacture of TNT119 may adversely affect its future expenses and its ability to commercialize TNT119, if it receives marketing approval, on a timely and competitive basis.

Tenet plans to rely on third parties to conduct certain clinical trials for TNT119. If these third parties do not successfully comply with regulatory requirements, Tenet's development program may be delayed or subject to increased costs and Tenet may not be able to obtain regulatory approval for, or commercialize, TNT119, which would have an adverse effect on Tenet's business and prospects.

Tenet has relied upon and plans to continue to rely upon third parties, including independent investigators, medical institutions, CROs, and strategic partners, to help conduct certain of Tenet's clinical trials, including its upcoming Phase 2 clinical trials of TNT119 for the treatment of SLE and ITP. Tenet expects to rely on these parties for execution of its clinical trials, and only control certain aspects of their activities. Nevertheless, Tenet is responsible for ensuring that each of its clinical trials are conducted in accordance with the applicable protocol, legal and regulatory requirements, and scientific standards, and its reliance on these third parties will not relieve Tenet of its regulatory responsibilities. For any violations of laws and regulations during the conduct of its clinical trials, Tenet could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

Tenet, and any third parties that Tenet contracts with, is required to comply with regulations and requirements, including good laboratory practices ("**GLP**"), GCP, for conducting, monitoring, recording, and reporting the results of clinical trials to ensure that the data and results are scientifically credible and accurate and that the patients in the trials are adequately informed of the potential risks of participating in clinical trials and their rights are protected. These regulations are enforced by the FDA, the European Medicines Agency, and comparable foreign regulatory authorities for any drugs in clinical development. The FDA and other foreign regulatory authorities enforce GLP and GCP requirements through periodic inspections of laboratories conducting GLP studies, clinical trial sponsors, principal investigators, and trial sites. If Tenet or the third parties Tenet contracts with fail to comply with applicable GLP and GCP requirements, the data generated in Tenet's clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require Tenet to perform additional clinical trials before approving its marketing applications. Despite oversight of Tenet's vendors and clinical trial sites, regulatory authorities may still find issues of compliancy with applicable GLP or GCP regulations. In addition, Tenet's clinical trials must be conducted with product candidates produced under good manufacturing practice ("**cGMP**") regulations or similar regulatory requirements outside the United States. Tenet's failure, or the failure of its third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on Tenet, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocations, seizures or recalls of product candidates, operating restrictions, and criminal prosecutions, any of which could significantly and adversely affect supplies of Tenet's products and harm its business, results of operations, financial condition and prospects. Any products that Tenet may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of suppliers or manufacturers that operate under cGMP regulations and that might be capable of manufacturing for Tenet.

If Tenet's CROs fail to comply with regulatory requirements, the development, regulatory approval, and commercialization of TNT119 may be delayed, Tenet may not be able to obtain regulatory approval and commercialize TNT119, or Tenet's development program may be materially and irreversibly harmed. Additionally, if any of Tenet's relationships with these third party CRO's terminate, it may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all.

In addition, principal investigators for Tenet's clinical trials may serve as scientific advisors or consultants to Tenet from time to time and receive compensation in connection with such services. Under certain circumstances, Tenet may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities may conclude that a financial relationship between Tenet and a principal investigator has created a conflict of interest or otherwise affected interpretation of the clinical trial. The FDA or comparable foreign regulatory authorities 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 Tenet's marketing applications by the FDA or comparable foreign regulatory authorities and may ultimately prevent Tenet from commercializing TNT119.

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

Tenet and any contract manufacturers and suppliers it engages are subject to numerous federal, state, and local environmental, health, and safety laws, regulations, and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment, and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air, and water; and workplace health and safety. Under certain environmental laws, Tenet could be held responsible for costs relating to any contamination at third-party facilities. Tenet also could incur significant costs associated with civil or criminal fines and penalties.

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair its research and product development efforts. Tenet does not carry specific biological or hazardous waste insurance coverage, and its property, casualty, and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, Tenet could be held liable for damages or be penalized with fines in an amount exceeding its resources, and its clinical trials or regulatory approvals could be suspended, which could have a material adverse effect on its business, results of operations, financial condition, and prospects.

In addition, Tenet may incur substantial costs in order to comply with current or future environmental, health, and safety laws, regulations, and permitting requirements. These current or future laws, regulations, and permitting requirements may impair its development, or production efforts. Failure to comply with these laws, regulations, and permitting requirements also may result in substantial fines, penalties, or other sanctions or business disruption, which could have a material adverse effect on its business, results of operations, financial condition, and prospects.

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

Tenet may not have access to the raw materials and other components necessary for the manufacturing of TNT119.

Tenet is dependent on third parties for the supply of various materials that are necessary to produce TNT119 for its clinical trials and does not have any supply agreements currently in place. Even when Tenet has supply agreements, it is possible that the supply may be reduced or interrupted at any time. In such case, Tenet may not be able to find other suppliers of acceptable materials in appropriate quantities at an acceptable cost. If Tenet loses key suppliers or the supply of materials is diminished or discontinued, it may not be able to continue to develop, manufacture and market TNT119 in a timely and competitive manner. In addition, these materials are subject to stringent manufacturing processes and rigorous testing. Delays in the completion and validation of facilities and manufacturing processes of these materials could adversely affect Tenet's ability to complete trials and commercialize Tenet's products in a cost-effective and timely manner. If Tenet encounters difficulties in the supply of these materials or other necessary products, or if it is not able to maintain its supply agreements or establish new supply agreements in the future or incur increased production costs as a result of any of the foregoing, Tenet's product development and business prospects could be significantly compromised.

Tenet relies heavily on certain in-licensed patents and other intellectual property rights in connection with its development of TNT119 and may be required to acquire or license additional patents or other intellectual property rights to continue to develop and commercialize TNT119.

Tenet relies heavily on patents, know-how and other intellectual property licensed from others. Tenet is party to a license agreement with Cancer Research Technology Limited ("**CRH**"), under which it is granted rights to intellectual property that are important to its business. Additionally, Tenet may need to acquire or license intellectual property rights from additional third parties in order to continue to develop or commercialize TNT119. Any future license agreements where Tenet in-licenses intellectual property may impose on it various development, regulatory and/or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If Tenet fails to comply with any of the obligations under such license agreements, including payment terms and diligence terms, the licensors may have the right to terminate its agreements, in which case Tenet may lose important intellectual property rights and it may not be able to develop, manufacture, market or sell TNT119 or may face other penalties under such agreements or be subject to litigation for breach of these agreements. In addition, such a termination could result in the licensor reacquiring the intellectual property rights and subsequently enabling a competitor to access the technology. Any such occurrence could materially adversely affect the value of TNT119. Termination of license agreements or reduction or elimination of Tenet's rights under them may result in Tenet having to negotiate a new or reinstated agreement, which may not be available on equally favorable terms, or at all, which may mean Tenet is unable to develop or commercialize TNT119. For instance, these licenses may not provide exclusive rights to use the subject intellectual property and technology in all relevant fields of use and in all territories in which Tenet may wish to develop or commercialize Tenet's technology and TNT119 in the future, such as provisions under the license agreement with CRH prohibiting Tenet from developing TNT119 for oncology indications. In that event, Tenet may be required to expend significant time and resources to redesign its technology or the methods for manufacturing or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis.

Further, the agreements under which Tenet currently licenses, and may license in the future, intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. Accordingly, material disputes may arise between Tenet and its licensor, regarding intellectual property subject to such license agreement, including those relating to:

- the scope of rights, if any, granted under the license agreement and other interpretation-related issues;
- the scope and practice of any rights reserved by its licensors;
- whether its licensor had the right to grant the license agreement;
- whether third parties are entitled to compensation or equitable relief, such as an injunction, for Tenet's use of the intellectual property without their authorization;
- its right to sublicense patent and other rights to third parties under collaborative development relationships;
- whether Tenet is complying with its obligations with respect to the use of the licensed technology in relation to Tenet's development and commercialization of TNT119;
- its involvement in the prosecution of the licensed patents and its licensors' overall patent enforcement strategy;
- the allocation of ownership of inventions and know-how resulting from the creation or use of intellectual property by Tenet's licensors and by Tenet and its partners, including jointly developed intellectual property; and
- the amounts of royalties, milestones or other payments due under the license agreement.

The resolution of any contract interpretation disagreement that may arise could narrow what Tenet believes to be the scope of its rights to the relevant intellectual property or technology, increase what it believes to be its financial or other obligations under the relevant agreement, or decrease the financial or other benefits it might otherwise receive under the relevant agreement. If material disputes over intellectual property that Tenet has licensed prevent or impair its ability to maintain licensing arrangements on acceptable terms or are insufficient to provide it the necessary rights to use the intellectual property, it may be unable to successfully develop and commercialize TNT119. If Tenet or any such licensors fail to adequately protect the relevant in-licensed intellectual property, Tenet's ability to commercialize TNT119 could suffer. Any material disputes with licensors or any termination of the licenses on which Tenet depends could have a material adverse effect on its business, results of operations, financial condition and prospects.

Tenet relies on third parties from whom Tenet licenses proprietary technology to file and prosecute patent applications and maintain patents and otherwise protect the intellectual property it licenses from them. For example, under the license agreement with CRH, CRH is responsible for prosecuting and maintaining intellectual property protection for TNT119 in consultation with Tenet. Tenet has limited control over these activities or any other intellectual property that may be related to Tenet's in-licensed intellectual property. For example, Tenet cannot be certain that such activities by CRH or other licensors will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights. Tenet has limited control over the manner in which CRH or Tenet's other licensors may initiate an infringement proceeding against a third-party infringer of the intellectual property rights, or defend certain of the intellectual property that may be licensed to Tenet. It is possible that CRH or Tenet's other licensors infringement proceeding or defense activities may be less vigorous than if Tenet conducts them itself.

Risks Related to Tenet's Intellectual Property

Tenet's success depends on its ability to protect its intellectual property for TNT119.

Tenet's commercial success depends in part on its ability to obtain and maintain patent protection and trade secret protection for TNT119, its proprietary technologies and their uses, its ability to operate without infringing the proprietary rights of others, and its and its licensors' ability to successfully defend its patents, including those that it has in-licensed, against third-party challenges. If Tenet or its licensors are unable to protect its intellectual property rights or if its intellectual property rights are inadequate for its technology or TNT119, its competitive position could be harmed.

Tenet and its licensors generally seek to protect its proprietary position by filing patent applications in the United States and outside of the United States related to TNT119, its proprietary technologies and their uses that are important to its business. Tenet's or its licensors' patent applications, including those that Tenet has in-licensed, cannot be enforced against third parties practicing the technology claimed in such applications unless, and until, patents issue from such applications, and then only to the extent the issued claims cover the technology. There can be no assurance that Tenet's or its licensors' patent applications will result in patents being issued or that issued patents will afford sufficient protection against competitors with similar technology, nor can there be any assurance that the patents, if issued, will be infringed or will not be designed around, invalidated or rendered unenforceable by third parties. 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. The degree of future protection for Tenet's proprietary rights is uncertain. Only limited protection may be available and may not adequately protect Tenet's rights or permit Tenet to gain or keep any competitive advantage. These uncertainties and/or limitations in Tenet's and its licensors' ability to properly protect the intellectual property rights relating to TNT119 could have a material adverse effect on its results of operations and financial condition.

Although Tenet licenses issued patents in the United States and ex-U.S. countries, it cannot be certain that the claims in its other U.S. pending patent applications, corresponding international patent applications and patent applications in certain ex-U.S. countries will be considered patentable by the United States Patent and Trademark Office ("**USPTO**") courts in the United States or by the patent offices and courts in ex-U.S. countries, nor can it be certain that the claims in its issued patents will not be found invalid or unenforceable if challenged.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that Tenet or its licensors or any of its potential future collaborators will be successful in TNT119 by obtaining and defending patents. These risks and uncertainties include the following:

- the USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process, the noncompliance with which can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- patent applications may not result in any patents being issued;
- patents may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- Tenet's competitors, many of whom have substantially greater resources than Tenet or its licensors do and many of whom have made significant investments in competing technologies, may seek, may have filed patent applications, or may have already obtained patents that will limit, interfere with or block its ability to make, use and sell TNT119;
- 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; and
- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing ex-U.S. competitors a better opportunity to create, develop and market competing products.

The patent prosecution process is also expensive and time-consuming, and Tenet or its licensors may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost, in a timely manner or in all jurisdictions where protection may be commercially advantageous. It is also possible that Tenet or its licensors may not identify patentable aspects of its research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, Tenet does not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, directed to technology that it licenses, including those from its licensors. Tenet also may require the cooperation of its licensors in order to enforce the licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of Tenet's business. Tenet cannot be certain that patent prosecution and maintenance activities by its licensors have been or will be conducted in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such applications. If they fail to do so, this could cause Tenet to lose rights in any applicable intellectual property that it in-licenses, and as a result its ability to develop and commercialize TNT119 may be adversely affected and it may be unable to prevent competitors from making, using and selling competing products.

In addition, although Tenet enters into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of its research and development output, such as outside scientific collaborators, CROs, contract manufacturing organizations, consultants, advisors, licensors, and other third parties, any of these parties may breach such agreements and publicly disclose such output before a patent application is filed, thereby jeopardizing its ability to seek patent protection.

If Tenet fails to comply with its obligations in the agreements under which it licenses intellectual property rights from its licensors or otherwise experiences disruptions to its business relationships with its licensors, it could lose license rights that are important to its business.

Tenet is a party to a number of license agreements under which it is granted rights to intellectual property that are important to its business and it may enter into additional license agreements in the future.

Tenet's existing license agreements impose on it, and Tenet expects that any future license agreements where Tenet in-licenses intellectual property will impose on it, various development, regulatory and/or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If Tenet fails to comply with its obligations under these agreements, or it is subject to bankruptcy-related proceedings, the licensors may have the right to terminate the licenses, in which event it would not be able to market products covered by the licenses.

Tenet obtained its right to a number of existing license agreements pursuant to its asset purchase agreement with Acelyrin, Inc. ("**Acelyrin**") which imposes on Tenet various development, regulatory and/or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If Tenet fails to comply with its obligations under the asset purchase agreement, Acelyrin may have the right to re-purchase the obtained asset, including Tenet's rights to the licenses subject to the asset purchase agreement, in which event Tenet may not be able to market or develop TNT119.

Tenet may need to obtain licenses from third parties to advance its research or commercialize TNT119, and it cannot provide any assurances that third-party patents do not exist that might be enforced against TNT119 in the absence of such a license. Tenet may fail to obtain any of these licenses on commercially reasonable terms, if at all. Even if Tenet is able to obtain a license, it may be non-exclusive, thereby giving its competitors access to the same technologies licensed to it. In that event, Tenet may be required to expend significant time and resources to develop or license replacement technology. If Tenet is unable to do so, it may be unable to develop or commercialize TNT119, which could materially harm its business and the third parties owning such intellectual property rights could seek either an injunction prohibiting its sales, or, with respect to its sales, an obligation on its part to pay royalties and/or other forms of compensation. Licensing of intellectual property is of critical importance to Tenet's business and involves complex legal, business and scientific issues. Disputes may arise between Tenet and its licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;

- whether and the extent to which Tenet's technology and processes infringe intellectual property of the licensor that is not subject to the licensing agreement;
- Tenet's right to sublicense patents and other rights to third parties;
- Tenet's diligence obligations with respect to the use of the licensed technology in relation to its development and commercialization of TNT119, and what activities satisfy those diligence obligations;
- Tenet's right to transfer or assign the license; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by Tenet's licensors and its affiliates and sublicensees and by Tenet and its partners and sublicensees.

If disputes over intellectual property that Tenet has licensed prevent or impair Tenet's ability to maintain its current licensing arrangements on acceptable terms, it may not be able to successfully develop and commercialize TNT119, which would have a material adverse effect on its business.

If the scope of any patent protection Tenet's licensors obtain is not sufficiently broad, or if its licensors lose any of the patent protection it licenses, its ability to prevent its competitors from commercializing similar or identical product candidates to TNT119 would be adversely affected.

The patent position of biopharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the existence, issuance, scope, validity, enforceability and commercial value of Tenet's patent rights are highly uncertain. Tenet's or its licensors' pending and future patent applications may not result in patents being issued that protect TNT119 or that effectively prevent others from commercializing competitive product candidates.

Moreover, the scope of claims in a patent application can be significantly reduced before any claims in a patent issue, and claim scope can be reinterpreted after issuance. Even if patent applications Tenet licenses currently or in the future issue as patents, they may not issue in a form that will provide it with any meaningful protection, prevent competitors or other third parties from competing with it, or otherwise provide it with any competitive advantage. Any patents that Tenet licenses may be challenged or circumvented by third parties or may be narrowed or invalidated as a result of challenges by third parties. Consequently, Tenet does not know whether TNT119 will be protectable or remain protected by valid and enforceable patents. Tenet's competitors or other third parties may be able to circumvent its patents by developing similar or alternative technologies or products in a non-infringing manner, which could materially adversely affect its business, results of operations, financial condition and prospects.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and Tenet's or its licensors' patents, including those that Tenet has in-licensed, may not cover TNT119 or may be challenged in the courts or patent offices in the United States and abroad. Tenet and its licensors may be subject to a third-party pre-issuance submission of prior art to the USPTO, or become involved in opposition, derivation, revocation, reexamination, post-grant review ("**PGR**"), and inter partes review ("**IPR**"), or other similar proceedings in the USPTO or ex-U.S. patent offices challenging its patent rights. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to validity of Tenet's or its licensors' patents, for example, it cannot be certain that there is no invalidating prior art, of which it or its licensors and the patent examiner were unaware during prosecution. There is no assurance that all potentially relevant prior art relating to Tenet's or its licensors' patents and patent applications or those of its licensors has been found. There is also no assurance that there is not prior art of which Tenet or its licensors were or are aware of, but which it does not believe affects the validity or enforceability of a claim in its patents and patent applications or those of its licensors, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate or render unenforceable, Tenet's patent rights or in-licensed patent right, and could allow third parties to commercialize TNT119 and compete directly with Tenet, without payment to it. Such loss of in-licensed patent rights, loss of exclusivity or in patent claims being narrowed, invalidated or held unenforceable could limit Tenet's ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of

TNT119. Such proceedings also may result in substantial cost and require significant time from Tenet's scientists and management, even if the eventual outcome is favorable to it. In addition, if the breadth or strength of protection provided by Tenet's or its licensors' patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with Tenet to license, develop or commercialize TNT119.

The patent protection and patent prosecution for TNT119 may be dependent on its licensors and third parties.

Tenet or its licensors may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, Tenet may miss potential opportunities to strengthen its patent position. It is possible that defects as to form in the preparation or filing of Tenet's or its licensors' patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, claim scope, or requests for patent term adjustments. If Tenet or its licensors, whether current or future, fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If Tenet's licensors are not fully cooperative or disagree with Tenet as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form, preparation, prosecution, or enforcement of Tenet's or its licensors' patents or patent applications, such patents may be invalid and/or unenforceable, and such applications may never result in valid, enforceable patents. Any of these outcomes could impair Tenet's ability to prevent competition from third parties, which may have an adverse impact on its business.

As a licensee, Tenet relies on third parties to file and prosecute patent applications and maintain patents and otherwise protect the licensed intellectual property under some of its license agreements. Tenet has not had and does not have primary control over these activities for certain of its in-licensed patents or patent applications and other intellectual property rights. Tenet cannot be certain that such activities by third parties have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights. Pursuant to the terms of the license agreements with some of Tenet's licensors, the licensors may have the right to control enforcement of Tenet's licensed patents or defense of any claims asserting the invalidity of these patents and even if Tenet is permitted to pursue such enforcement or defense, it will require the cooperation of its licensors. Tenet cannot be certain that its licensors will allocate sufficient resources or prioritize their or Tenet's enforcement of such patents or defense of such claims to protect its interests in the licensed patents. Even if Tenet is not a party to these legal actions, an adverse outcome could harm its business because it might prevent Tenet from continuing to license intellectual property that it may need to operate its business. If any of Tenet's licensors or any of Tenet's future licensors or future collaborators fails to appropriately prosecute and maintain patent protection for patents covering TNT119, its ability to develop and commercialize TNT119 may be adversely affected and it may not be able to prevent competitors from making, using and selling competing products.

In addition, even where Tenet has the right to control patent prosecution of patents and patent applications it has acquired or licensed from third parties, it may still be adversely affected or prejudiced by actions or inactions of its licensors and their counsel that took place prior to it assuming control over patent prosecution.

Tenet's technology acquired or licensed from various third parties, including its licensors, may be subject to retained rights. Tenet's licensors often retain certain rights under their agreements with it, including the right to use the underlying technology for use in fields other than the fields licensed to it or for use in noncommercial academic and research use, to publish general scientific findings from research related to the technology, and to make customary scientific and scholarly disclosures of information relating to the technology. It is difficult to monitor whether Tenet's licensors limit their use of the technology to these uses, and Tenet could incur substantial expenses to enforce its rights to its licensed technology in the event of misuse by the licensor.

If Tenet is limited in its ability to utilize acquired or licensed technologies, or if it loses its rights to critical licensed technology, it may be unable to successfully develop and commercialize TNT119, which could prevent or delay new product introductions. Tenet's business strategy depends on the successful development of licensed and acquired technologies into commercial products. Therefore, any limitations on its ability to utilize these technologies may impair its ability to develop and commercialize TNT119.

Intellectual property rights do not necessarily address all potential threats to Tenet's competitive advantage.

The degree of future protection afforded by Tenet's intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect Tenet's business or permit it to maintain its competitive advantage. For example:

- others may be able to develop products that are similar to TNT119 but that are not covered by the claims of the patents that Tenet owns or licenses;
- Tenet or its licensors might not have been the first to make the inventions covered by the issued patents or patent application that Tenet owns or licenses;
- Tenet or its licensors might not have been the first to file patent applications covering certain of its inventions;
- others may independently develop similar or alternative technologies or duplicate any of Tenet's technologies without infringing its intellectual property rights;
- it is possible that Tenet's licensors' pending patent applications will not lead to issued patents;
- issued patents that Tenet owns or licenses may be held invalid or unenforceable, as a result of legal challenges by its competitors;
- Tenet's competitors might conduct research and development activities in countries where it does not have patent rights and then use the information learned from such activities to develop competitive products for sale in its major commercial markets;
- Tenet may not develop additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on Tenet's business.

Should any of these events occur, it could significantly harm Tenet's business, results of operations, financial condition and prospects.

Tenet's commercial success depends significantly on its ability to operate without infringing the patents and other proprietary rights of third parties. Claims by third parties that Tenet infringes their proprietary rights may result in liability for damages or prevent or delay its development and commercialization efforts.

Tenet's commercial success depends in part on avoiding infringement of the patents and other proprietary rights of third parties. However, Tenet's development and commercialization activities may be subject to claims that it infringes or otherwise violates patents or other intellectual property rights owned or controlled by third parties. Other entities may have or obtain patents or other proprietary rights that could limit Tenet's ability to make, use, sell, offer for sale, or import TNT119 or impair its competitive position. There is a substantial amount of litigation and administrative proceedings, both within and outside the United States, involving patent and other intellectual property rights in the biopharmaceutical industry, including patent invalidity and infringement lawsuits, oppositions, reexaminations, IPR proceedings and PGR proceedings before the USPTO, ex-U.S. patent offices and/or in a court of law. Numerous third-party U.S. and ex-U.S. issued patents and pending patent applications exist in the fields in which Tenet is developing TNT119. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of TNT119.

As the biopharmaceutical industry expands and more patents are issued, the risk increases that TNT119 may be subject to claims of infringement of the patent rights of third parties. Because patent applications are maintained as confidential for a certain period of time, until the relevant application is published Tenet may be unaware of third-party patents that may be infringed by the development or commercialization of TNT119, and it cannot be certain that it was the first to file a patent application related to TNT119. Moreover, because patent applications can take many years to issue, there may currently be pending patent applications that may later result in issued patents that TNT119 may infringe. In addition, identification of third-party patent rights that may be relevant to Tenet's technology 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. In addition, third parties may obtain patents in the future and claim that use of Tenet's technologies infringes these patents. Any claims of patent infringement asserted by third parties would be time consuming and could:

- result in costly litigation that may cause negative publicity;
- divert the time and attention of Tenet's technical personnel and management;
- cause development delays;
- prevent Tenet from commercializing TNT119 until the asserted patent expires or is held finally invalid or unenforceable or not infringed in a court of law;
- require Tenet to develop non-infringing technology, which may not be possible or may not be done on a cost-effective basis;
- subject Tenet to significant liability to third parties; or
- require Tenet to enter into royalty or licensing agreements, which may not be available on commercially reasonable terms, or at all, or which might be non-exclusive, which could result in its competitors gaining access to the same technology.

Third parties may hold proprietary rights that could prevent TNT119 from being developed or commercialized. Any patent-related legal action against Tenet claiming damages and seeking to enjoin activities relating to TNT119 or its processes could subject it to potential liability for damages, including treble damages if Tenet was determined to have willfully infringed, and require Tenet to obtain a license to develop, manufacture or commercialize TNT119. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of management resources from Tenet's business. Tenet cannot predict whether it would prevail in any such actions or that any license required under any of these patents would be made available on commercially acceptable terms, if at all. Moreover, even if Tenet or its future strategic partners were able to obtain a license, the rights may be nonexclusive, which could result in its competitors gaining access to the same intellectual property. In addition, Tenet cannot be certain that it could redesign TNT119 or its processes to avoid infringement, if necessary. Accordingly, an adverse determination in a judicial or administrative proceeding, or the failure to obtain necessary licenses, could prevent Tenet from developing and commercializing TNT119, which could harm its business, results of operations, financial condition and prospects.

Parties making claims against Tenet may be able to sustain the costs of complex patent litigation more effectively than Tenet can because they have substantially greater resources. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or administrative proceedings, there is a risk that some of Tenet's confidential information could be compromised by disclosure. In addition, any uncertainties resulting from the initiation and continuation of any litigation or administrative proceeding could have a material adverse effect on Tenet's ability to raise additional funds or otherwise have a material adverse effect on its business, results of operations, financial condition and prospects.

Tenet may be involved in lawsuits or other proceedings to protect or enforce its patents or the patents of its licensors, which could be expensive, time-consuming and unsuccessful. Further, Tenet's or its licensors' issued patents could be found invalid or unenforceable if challenged in court.

Competitors may infringe Tenet's intellectual property rights or those of its licensors. To prevent infringement or unauthorized use, Tenet and/or its licensors may be required to file infringement claims, which can be expensive and time-consuming. Further, Tenet's licensors may need to file infringement claims, but they may elect not file such claims. In addition, in a patent infringement proceeding, a court may decide that a patent Tenet owns or licenses is not valid, is unenforceable and/or is not infringed. If Tenet or any of its licensors or potential future collaborators were to initiate legal proceedings against a third party to enforce a patent directed at TNT119, the defendant could assert that Tenet's patent is invalid and/or

unenforceable in whole or in part. In patent litigation, defendant allegations of invalidity and/or unenforceability of asserted patents are commonplace. Grounds for a validity challenge include an alleged failure to meet any of several statutory requirements, including lack of novelty or written description, obviousness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone connected with prosecution of the patent intentionally withheld material information from the USPTO or made a misleading statement during prosecution.

If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, Tenet would lose at least part, and perhaps all, of the patent protection on TNT119. In addition, if the breadth or strength of protection provided by Tenet's or its licensors' patents and patent applications is threatened, it could dissuade companies from collaborating with Tenet to license, develop or commercialize TNT119. Such a loss of patent protection would have a material adverse impact on Tenet's business.

Even if resolved in Tenet's favor, litigation or other proceedings relating to Tenet's intellectual property rights may cause it to incur significant expenses and could distract its technical and management personnel from their normal responsibilities. Such litigation or proceedings could substantially increase Tenet's operating losses and reduce the resources available for development activities or any future sales, marketing, distribution or other commercialization activities. Tenet may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of Tenet's competitors may be able to sustain the costs of such litigation or proceedings more effectively than Tenet can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise Tenet's ability to compete in the marketplace.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other legal proceedings relating to Tenet's intellectual property rights, there is a risk that some of Tenet's confidential information could be compromised by disclosure during this type of litigation or other proceedings.

Changes in U.S. patent law, or laws in other countries, could diminish the value of patents in general, thereby impairing Tenet's ability to protect its intellectual property for TNT119.

Tenet's success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves a high degree of technological and legal complexity. Therefore, obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or in the interpretations of patent laws in the United States and other countries may diminish the value of Tenet's intellectual property rights and may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. Tenet cannot predict the breadth of claims that may be allowed or enforced in its patents or in third-party patents. In addition, Congress or other ex-U.S. legislative bodies may pass patent reform legislation that is unfavorable to Tenet.

For example, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to Tenet's or its licensors' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the U.S. federal courts, the USPTO, or similar authorities in ex-U.S. jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken Tenet's or its licensors' ability to obtain new patents or to enforce Tenet's existing patents and patents it might obtain in the future.

In September 2011, the Leahy-Smith America Invents Act (the "**Leahy-Smith Act**") was signed into law. 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 and also affect patent litigation. In particular, under the Leahy-Smith Act, the United States transitioned in March 2013 to a "first inventor to file" system in which, assuming that other requirements of patentability are met, the first inventor to file a patent application will be entitled to the patent regardless of whether a third party was first to invent the claimed invention. A third party that files a patent application in the USPTO after March 2013 but before Tenet could therefore be awarded a patent covering an invention of Tenet even if Tenet had made the invention before it was made by such third party. This requires Tenet to be

cognizant going forward of the time from invention to filing of a patent application. Furthermore, Tenet's ability to obtain and maintain valid and enforceable patents depends on whether the differences between its technology and the prior art allow its technology to be patentable over the prior art. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, Tenet cannot be certain that it was the first to either (i) file any patent application related to TNT119 or (ii) invent any of the inventions claimed in its patents or patent applications.

The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications are prosecuted and also affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including PGR proceedings, IPR proceedings, and derivation proceedings. An adverse determination in any such submission or proceeding could reduce the scope or enforceability of, or invalidate, Tenet's patent rights, which could adversely affect its competitive position.

Because of a lower evidentiary standard in USPTO 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 Tenet's 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 Tenet's or its licensors' patent applications and the enforcement or defense of Tenet's or its licensors' issued patents, all of which could have a material adverse effect on Tenet's business, results of operations, financial condition and prospects.

Tenet or its licensors may be subject to claims challenging the inventorship or ownership of Tenet's or its licensors' patents and other intellectual property.

Tenet or its licensors may be subject to claims that third parties have an ownership interest in Tenet's or its licensors' patents or other intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If Tenet or its licensors fail in defending any such claims, in addition to paying monetary damages, Tenet may lose valuable intellectual property rights. Such an outcome could have a material adverse effect on Tenet's business. Even if Tenet or its licensors are successful in defending against such claims, litigation could result in substantial costs and distraction to management.

Patent terms may be inadequate to protect Tenet's competitive position on TNT119 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 filing date. Various extensions may be available, but the term of a patent, and the protection it affords, is limited. Even if patents directed to TNT119 are obtained, once the patent term has expired, Tenet may be open to competition from competitive products. Given the amount of time required for the development, testing and regulatory review of product candidates, patents directed to TNT119 might expire before or shortly after such candidates are commercialized. Tenet intends, or understands that its licensors intend, to pursue additional patent protection covering, when possible, compositions, methods of use, methods of manufacture, and dosing and formulations of TNT119. The issued patents, or patents that may be issued from the pending patent applications that Tenet exclusively in-licenses from CRH are expected to expire in 2026, excluding any patent term adjustment that might be available following the grant of the patent and any patent term extensions that might be available following the grant of marketing authorizations. As a result, Tenet's patent portfolio may not provide it with sufficient rights to exclude others from commercializing products similar or identical to TNT119.

If Tenet or its licensors do not obtain patent term extension(s) for TNT119, Tenet's business may be materially harmed.

Depending upon the timing, duration and specifics of FDA marketing approval of TNT119, one or more of its U.S. patents may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984 (the "**Hatch-Waxman Amendments**"). The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. A maximum of one patent may be extended per FDA-approved product as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension may also be available in certain ex-U.S. countries upon regulatory approval of TNT119. However, Tenet or its licensors may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than Tenet requests. If Tenet or its licensors are unable to obtain patent term extension or restoration or the term of any such extension is less than Tenet requests, Tenet's competitors may obtain approval of competing products following its patent expiration, and its revenue could be reduced, possibly materially. Further, if this occurs, Tenet's competitors may take advantage of Tenet's investment in development and trials by referencing Tenet's clinical and preclinical data and launch their product earlier than might otherwise be the case.

Tenet may not be able to protect its intellectual property rights throughout the world.

Although Tenet has issued patents and pending patent applications in the United States and certain other countries, filing, prosecuting and defending patents in all countries throughout the world would be prohibitively expensive, and its 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 ex-U.S. countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, Tenet may not be able to prevent third parties from practicing its inventions in all countries outside the United States or from selling or importing products made using its inventions in and into the United States or other jurisdictions. Competitors may use Tenet's technologies in jurisdictions where it has not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where Tenet or its licensors have patent protection but enforcement is not as strong as that in the United States. These products may compete with TNT119, and Tenet's or its licensors' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in ex-U.S. jurisdictions. The legal systems of many ex-U.S. countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for Tenet to stop the infringement of its or its licensors' patents or marketing of competing products in violation of its proprietary rights. Proceedings to enforce Tenet's patent rights in ex-U.S. jurisdictions could result in substantial costs and divert Tenet's efforts and attention from other aspects of its business, could put Tenet's or its licensors' patents at risk of being invalidated or interpreted narrowly and Tenet's or its licensors' patent applications at risk of not issuing and could provoke third parties to assert claims against Tenet. Tenet or its licensors may not prevail in any lawsuits that Tenet or its licensors initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, Tenet's or its licensors' efforts to enforce Tenet's intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that Tenet develops or licenses.

Many countries 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. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If Tenet or its licensors are forced to grant a license to third parties with respect to any patents relevant to Tenet's business, its competitive position may be impaired, and its business, results of operations, financial condition and prospects may be adversely affected.

Obtaining and maintaining Tenet's patent protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by regulations and governmental patent agencies, and Tenet's patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications will be due to the USPTO and various ex-U.S. patent offices at various points over the lifetime of Tenet's or its licensors' patents and patent applications. Tenet has systems in place to remind it to pay these fees, and it relies on third parties to pay these fees when due. Additionally, the USPTO and various ex-U.S. patent offices require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. Tenet employs reputable law firms and other professionals to help it comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with rules applicable to the particular jurisdiction. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If such an event were to occur, it could have a material adverse effect on Tenet's business.

If Tenet is unable to protect the confidentiality of its trade secrets, its business and competitive position would be harmed.

In addition, Tenet relies on the protection of its trade secrets, including unpatented know-how, technology and other proprietary information to maintain its competitive position. Although Tenet has taken steps to protect its trade secrets and unpatented know-how, including entering into confidentiality agreements with third parties, and confidential information and inventions agreements with consultants, licensors and advisors, it cannot provide any assurances that all such agreements have been duly executed, and any of these parties may breach the agreements and disclose its proprietary information, including its trade secrets, and it may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets.

Moreover, third parties may still obtain this information or may come upon this or similar information independently, and Tenet would have no right to prevent them from using such information to compete with Tenet. If any of these events occurs or if Tenet otherwise loses protection for its trade secrets, the value of this information may be greatly reduced and its competitive position would be harmed. If Tenet or its licensors do not apply for patent protection prior to such publication or if Tenet cannot otherwise maintain the confidentiality of its proprietary technology and other confidential information, then its ability to obtain patent protection or to protect its trade secret information may be jeopardized.

As is common in the biopharmaceutical industry, Tenet engages the services of consultants to assist it in the development of TNT119. Many of these consultants were previously employed at, or may have previously provided or may be currently providing consulting services to, other biopharmaceutical companies including Tenet's competitors or potential competitors. Tenet may become subject to claims that it or its consultants inadvertently or otherwise used or disclosed trade secrets or other information proprietary to its consultants' former employers or their former or current clients. Litigation may be necessary to defend against these claims. If Tenet fails in defending any such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights or personnel, which could adversely affect its business. Even if Tenet is successful in defending against these claims, litigation could result in substantial costs and be a distraction to its management team.

Risks Related to Post-Closing Eliem

After the Acquisition, Post-Closing Eliem's business is highly dependent on the success of TNT119. If Post-Closing Eliem is unable to successfully complete clinical development of, obtain regulatory approval for, or commercialize, TNT119, or if Post-Closing Eliem experiences delays in doing so, its business will be materially harmed.

Post-Closing Eliem future success and ability to generate revenue from TNT119, which Post-Closing Eliem does not expect will occur for several years, if ever, is dependent on Post-Closing Eliem's ability to successfully develop, obtain regulatory approval for and commercialize TNT119. If TNT119 encounters undesirable safety signals, insufficient efficacy results, development delays, regulatory issues or other problems, Post-Closing Eliem's development plans and business would be significantly harmed.

Post-Closing Eliem stockholders may not realize a benefit from the Acquisition and the Private Placement commensurate with the ownership dilution they will experience in connection with the Acquisition and the Private Placement.

If Post-Closing Eliem is unable to realize the full strategic and financial benefits currently anticipated from the Acquisition and the Private Placement, Post-Closing Eliem stockholders will have experienced substantial dilution of their ownership interests without receiving any commensurate benefit, or only receiving part of the commensurate benefit to the extent Post-Closing Eliem is able to realize only part of the benefits currently anticipated from the Acquisition and the Private Placement.

Post-Closing Eliem will need to raise additional financing in the future to fund its operations, which may not be available to it on favorable terms or at all.

As of the closing of the Acquisition and the Private Placement, Post-Closing Eliem had total cash and cash equivalents of approximately $220.0 million. Eliem expects this will be sufficient to fund Post-Closing Eliem's planned operations into 2027 and to enable the potential attainment of key clinical and development milestones for TNT119. Post-Closing Eliem will require additional funds to continue the development and potential commercialization of TNT119 and any other product candidates it develops. Post-Closing Eliem's future capital requirements will depend upon a number of factors, including: the number and timing of future product candidates in the pipeline; progress with and results from preclinical testing and clinical trials; the ability to manufacture adequate supply of its product candidates to complete preclinical studies and clinical trials; the costs involved in preparing, filing, acquiring, prosecuting, maintaining and enforcing patent and other intellectual property claims; and the time and costs involved in obtaining regulatory approvals and favorable reimbursement or formulary acceptance.

Raising additional capital may be costly or difficult to obtain and could significantly dilute stockholders' ownership interests or inhibit Post-Closing Eliem's ability to achieve its business objectives. It is also possible that the terms of any new equity securities may have preferences over Post-Closing Eliem common stock. Any debt financing Post-Closing Eliem enters into may involve covenants that restrict its operations. These restrictive covenants may include limitations on additional borrowing and specific restrictions on the use of Post-Closing Eliem's assets, as well as prohibitions on its ability to create liens, pay dividends, redeem its stock or make investments. In addition, if Post-Closing Eliem raises additional funds through licensing arrangements, it may be necessary to grant licenses on terms that are not favorable to Post-Closing Eliem. Even if Post-Closing Eliem were to obtain sufficient funding, there can be no assurance that it will be available on terms acceptable to Post-Closing Eliem or its stockholders.

The market price of Post-Closing Eliem common stock may be volatile, and the market price of the common stock may drop following the Acquisition.

The market price of Post-Closing Eliem common stock following the Acquisition could be subject to significant fluctuations and may drop following the Acquisition. Some of the factors that may cause the market price of Post-Closing Eliem common stock to fluctuate include:

- results of clinical trials and preclinical studies of Post-Closing Eliem's product candidates, including TNT119, or those of Post-Closing Eliem's competitors or Post-Closing Eliem's existing or future collaborators;
- failure of any of Post-Closing Eliem's product candidates, if approved, to achieve commercial success;
- the level of expenses related to any of Post-Closing Eliem's product candidates, its development programs and any future commercialization efforts;
- failure to meet or exceed financial and development projections Post-Closing Eliem may provide to the public;
- failure to meet or exceed the financial and development projections of the investment community;

- if Post-Closing Eliem does not achieve the perceived benefits of the Acquisition as rapidly or to the extent anticipated, or at all, by financial or industry analysts;
- announcements of significant acquisitions, strategic collaborations, joint ventures or capital commitments by Post-Closing Eliem or its competitors;
- actions taken by regulatory agencies with respect to Post-Closing Eliem's product candidates, preclinical studies, clinical trials, manufacturing process or sales and marketing terms;
- disputes or other developments relating to proprietary rights, including patents, litigation matters, and the combined company's ability to obtain patent protection for its technologies;
- additions or departures of key personnel;
- significant lawsuits, including patent or stockholder litigation;
- if securities or industry analysts do not publish research or reports about Post-Closing Eliem's business, or if they issue adverse or misleading opinions regarding its business and stock;
- changes in the market valuations of similar companies;
- general market or macroeconomic conditions or market conditions in the pharmaceutical and biotechnology sectors;
- sales of securities by Post-Closing Eliem or its securityholders in the future;
- if Post-Closing Eliem fails to raise an adequate amount of capital to fund its operations and continued development of its product candidates;
- trading volume of Post-Closing Eliem common stock;
- announcements by competitors of new commercial products, clinical progress or lack thereof, significant contracts, commercial relationships or capital commitments;
- adverse publicity relating to anti-CD19 antibody product candidates, including with respect to other products in such markets;
- the introduction of technological innovations or new therapies that compete with the product candidates and services of Post-Closing Eliem;
- Post-Closing Eliem's ability to maintain its listing on the Nasdaq Global Market; and
- period-to-period fluctuations in Post-Closing Eliem's financial results.

Moreover, the stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of Post-Closing Eliem common stock. In addition, a recession, depression or other sustained adverse market event could materially and adversely affect Post-Closing Eliem's business and the value of its common stock. In the past, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against such companies. Furthermore, market volatility may lead to increased shareholder activism if Post-Closing Eliem experiences a market valuation that activists believe is not reflective of its intrinsic value. Activist campaigns that contest or conflict with Post-Closing Eliem's strategic direction or seek changes in the composition of the board of directors of Post-Closing Eliem could have an adverse effect on its operating results and financial condition.

Following the Acquisition, Post-Closing Eliem may be unable to successfully integrate the businesses of Eliem and Tenet and realize the anticipated benefits of the Acquisition.

The Acquisition involves the combination of two companies which currently operate as independent companies. Following the Acquisition, Post-Closing Eliem will focus on developing TNT119 for a broad range of autoimmune diseases, including SLE, ITP and MN. Post-Closing Eliem will be required to devote significant management attention and resources to integrating its business practices and operations. Post-Closing Eliem may fail to realize some or all of the anticipated benefits of the Acquisition, including if the integration process takes longer than expected or is more costly than expected. Potential difficulties Post-Closing Eliem may encounter in the integration process include the following:

- the inability to successfully combine the businesses of Eliem and Tenet in a manner that permits Post-Closing Eliem to achieve the anticipated benefits from the Acquisition, which would result in the anticipated benefits of the Acquisition not being realized partly or wholly in the time frame currently anticipated or at all;
- creation of uniform standards, controls, procedures, policies and information systems; and
- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the Acquisition.

In addition, Eliem and Tenet have operated and, until the completion of the Acquisition, operated, independently. It is possible that the integration process also could result in the diversion of each company's management's attention, the disruption or interruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect the combined company's ability to maintain its relationships with third parties or the ability to achieve the anticipated benefits of the Acquisition, or could otherwise adversely affect the business and financial results of Post-Closing Eliem.

The obligations and liabilities of Tenet, some of which may be unanticipated or unknown, may be greater than Post-Closing Eliem has anticipated, which may diminish the value of Tenet to Post-Closing Eliem.

Tenet's obligations and liabilities, some of which may not have been disclosed to Post-Closing Eliem or may not be reflected or reserved for in Tenet's financial statements, may be greater than Post-Closing Eliem has anticipated. The obligations and liabilities of Tenet could have a material adverse effect on Tenet's business or Tenet's value to Post-Closing Eliem or on Post-Closing Eliem's business, results of operations or financial condition. Post-Closing Eliem is not entitled to indemnification by Tenet under the Acquisition Agreement with respect to obligations or liabilities of Tenet, whether known or unknown. In the event that Post-Closing Eliem is responsible for liabilities substantially in excess of any amounts recovered through any applicable insurance or alternative remedies that might be available to Post-Closing Eliem, Post-Closing Eliem could suffer severe consequences that materially and adversely affect Post-Closing Eliem's business, results of operations, or financial conditions.

Post-Closing Eliem may become involved in securities litigation or stockholder derivative litigation in connection with the Acquisition, the Private Placement and the other transactions contemplated by the Acquisition Agreement, and this could divert the attention of Post -Closing Eliem's management and harm Post-Closing Eliem's business.

Securities litigation or stockholder derivative litigation frequently follows the announcement of certain significant business transactions, such as the sale of a business division or announcement of an acquisition or a business combination transaction. Post-Closing Eliem may become involved in this type of litigation in connection with the Acquisition, the Private Placement and the other transactions contemplated by the Acquisition Agreement, as well as in the future. Litigation often is expensive and diverts management's attention and resources, which could adversely affect the business of Post-Closing Eliem.

Post-Closing Eliem may never commercialize a product candidate or generate revenue.

Neither Eliem nor Tenet have commercialized a product or generated revenue from the sale of any products. Post-Closing Eliem is expected to incur significant net losses for the foreseeable future and may never achieve or maintain profitability. Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is a time-consuming, expensive and uncertain process that takes years to complete. Post-Closing Eliem may never generate the necessary data or results required to obtain marketing approval for any product candidates or generate revenue from the sale of any products for which Post-Closing Eliem may obtain marketing approval. Eliem and Tenet cannot predict when, or if, Post-Closing Eliem will obtain regulatory approval to TNT119 or other future product candidates.

The unaudited pro forma condensed combined financial data for Eliem and Tenet included in this filing are preliminary, and Post-Closing Eliem's actual financial position and operations after the Acquisition may differ materially from the unaudited pro forma condensed combined financial data included in this filing.

The unaudited pro forma condensed combined financial data for Eliem and Tenet included in this filing are presented for illustrative purposes only and are not necessarily indicative of Post-Closing Eliem's actual financial condition or results of operations of future periods, or the financial condition or results of operations that would have been realized had the entities been combined during the periods presented. Post-Closing Eliem's actual results and financial position after the Acquisition and the Private Placement may differ materially and adversely from the unaudited pro forma condensed combined financial data included in this filing. The unaudited pro forma condensed combined financial statements have been derived from the historical financial statements of Eliem and Tenet and adjustments and assumptions have been made regarding Post-Closing Eliem after giving effect to the Acquisition and the Private Placement. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with accuracy. Moreover, the unaudited pro forma condensed combined financial statements do not reflect all costs that are expected to be incurred by Post-Closing Eliem in connection with the Acquisition and the Private Placement or that have been incurred since the date of such unaudited pro forma condensed combined financial statements. The assumptions used in preparing the unaudited pro forma condensed combined financial data may not prove to be accurate, and other factors may affect Post-Closing Eliem's financial condition following the Acquisition and the Private Placement.

Eliem and Tenet do not anticipate that Post-Closing Eliem will pay any cash dividends in the foreseeable future.

The current expectation is that Post-Closing Eliem will retain its future earnings, if any, to finance the growth and development of Post-Closing Eliem's business as opposed to paying dividends. As a result, capital appreciation, if any, of the common stock of Post-Closing Eliem will be your sole source of gain, if any, for the foreseeable future.

Post-Closing Eliem may be exposed to increased litigation, including stockholder litigation, which could have an adverse effect on Post-Closing Eliem's business and operations.

Post-Closing Eliem may be exposed to increased litigation from stockholders, suppliers and other third parties due to the combination of Eliem's and Tenet's businesses following the Acquisition. Such litigation may have an adverse impact on Post-Closing Eliem's business and results of operations or may cause disruptions to Post-Closing Eliem's operations. In addition, in the past, stockholders have initiated class action lawsuits against biotechnology companies following periods of volatility in the market prices of these companies' stock. Such litigation, if instituted against Post-Closing Eliem, could cause Post-Closing Eliem to incur substantial costs and divert management's attention and resources, which could have a material adverse effect on Post-Closing Eliem's business, results of operations and financial condition.

Future sales of shares by existing stockholders could cause Post-Closing Eliem's stock price to decline.

If existing securityholders of Eliem and Tenet sell, or indicate an intention to sell, substantial amounts of Post-Closing Eliem common stock in the public market after certain legal restrictions on resale lapse, the trading price of the common stock of Post-Closing Eliem could decline. After giving effect to the Acquisition and the Private Placement, Post-Closing Eliem had outstanding a total of 66,785,449 shares of common stock as of June 27, 2024. Post-Closing Eliem has agreed to file a registration statement covering the resale of the shares issued in the Acquisition and the Private Placement within 45 days of the closing of the Private Placement. Post-Closing Eliem has agreed to keep such registration statement effective until the date the

shares covered by such registration statement have been sold or can be resold without restriction under Rule 144 of the Securities Act of 1933, as amended. If outstanding shares of common stock are sold, the trading price of Post-Closing Eliem common stock could decline.

After completion of the Acquisition and the Private Placement, Post-Closing Eliem's executive officers, directors and principal stockholders, including RA Capital Management, will have the ability to control or significantly influence all matters submitted to Post-Closing Eliem stockholders for approval.

Upon the completion of the Acquisition and the Private Placement, Post-Closing Eliem's executive officers, directors and principal stockholders, including RA Capital Management, in the aggregate, beneficially owned approximately 69.6% of Post-Closing Eliem's outstanding shares of common stock, including 47.1% of Post-Closing Eliem's outstanding common stock beneficially owned by RA Capital Management and its affiliates as of June 27, 2024. As a result, if these stockholders were to choose to act together (or, in the case of RA Capital Management, alone), they would be able to control or significantly influence all matters submitted to Post-Closing Eliem stockholders for approval, as well as Post-Closing Eliem's management and affairs. For example, these persons, if they choose to act together (or, in the case of RA Capital Management, alone), would control or significantly influence the election of directors and approval of any merger, consolidation or sale of all or substantially all of Post-Closing Eliem's assets. This concentration of voting power could delay or prevent an acquisition of Post-Closing Eliem on terms that other stockholders may desire.

Post-Closing Eliem will have broad discretion in the use of the cash and cash equivalents of Post-Closing Eliem and the proceeds from the Private Placement, and Post-Closing Eliem may invest or spend the proceeds in ways with which you do not agree and in ways that may not increase the value of your investment.

Post-Closing Eliem will have broad discretion over the use of the cash and cash equivalents of Post-Closing Eliem and the proceeds from the Private Placement. You may not agree with Post-Closing Eliem's decisions, and its use of the proceeds may not yield any return on your investment. Post-Closing Eliem's failure to apply these resources effectively could compromise its ability to pursue its growth strategy and Post-Closing Eliem might not be able to yield a significant return, if any, on its investment of these net proceeds. You will not have the opportunity to influence its decisions on how to use Post-Closing Eliem's cash resources.

If Post-Closing Eliem fails to attract and retain management and other key personnel, it may be unable to continue to successfully develop or commercialize its product candidates or otherwise implement its business plan.

Post-Closing Eliem's ability to compete in the highly competitive pharmaceuticals industry depends on its ability to attract and retain highly qualified managerial, scientific, medical, legal, sales and marketing and other personnel. Post-Closing Eliem will be highly dependent on recruiting and retaining its management and scientific personnel. The loss of the services of any of these individuals could impede, delay or prevent the successful development of Post-Closing Eliem's product candidates, completion of its planned clinical trials, commercialization of its product candidates or in-licensing or acquisition of new assets and could negatively impact its ability to implement successfully its business plan. If Post-Closing Eliem loses the services of any of these individuals, it might not be able to find suitable replacements on a timely basis or at all, and its business could be harmed as a result. Post-Closing Eliem might not be able to attract or retain qualified management and other key personnel in the future due to the intense competition for qualified personnel among biotechnology, pharmaceutical and other businesses.

Post-Closing Eliem expects to expand its clinical development, manufacturing and regulatory capabilities and potentially implement sales, marketing and distribution capabilities, and as a result, it may encounter difficulties in managing its growth, which could disrupt its operations.

As Post Closing Eliem's development progresses, it expects to experience significant growth in the number of its employees and consultants and the scope of its operations, particularly in the areas of clinical product development, regulatory affairs and, if TNT119 receives marketing approval, sales, marketing and distribution. To manage Post-Closing Eliem's anticipated future growth, it must continue to implement and improve its managerial, operational and financial systems, expand its facilities and continue to recruit and train additional qualified personnel. There is intense competition for qualified personnel in the technical fields in which Post-Closing Eliem operates and Post-Closing Eliem may not be able to attract and retain qualified personnel necessary for the successful development and future commercialization, if any, of TNT119.

Post-Closing Eliem may not be able to effectively manage the expansion of its operations or recruit and train additional qualified personnel. Post-Closing Eliem's choice to focus on multiple therapeutic areas may negatively affect its ability to develop adequately the specialized capability and expertise necessary for operations. The expansion of Post-Closing Eliem's operations may lead to significant costs and may divert its management and business development resources. Any inability to manage growth could delay the execution of Post-Closing Eliem's business plans or disrupt its operations.

INDEPENDENT AUDITOR'S REPORT

To the shareholders and the Board of Directors of Tenet Medicines, Inc.

Opinion

We have audited the financial statements of Tenet Medicines, Inc. (the "Company"), which comprise the balance sheet as of December 31, 2023, and the related statements of operations and comprehensive loss, shareholders' deficit, and cash flows for the period from November 8, 2023 (inception) to December 31, 2023, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the period from November 8, 2023 (inception) to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred and expects to continue to incur net losses and negative cash flows from operations and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Deloitte & Touche LLP
San Diego, California
May 16, 2024

Tenet Medicines, Inc.
Balance Sheet
(in thousands, except share and par value data)

	As of December 31, 2023
Assets	
Current assets:	
Cash	$ 9,929
Prepaid expenses	16
Total current assets	9,945
Total assets	$ 9,945
Liabilities, and stockholders' deficit	
Current liabilities:	
Accounts payable	$ 187
Accrued expenses	6
Accrued expenses, related party	74
Simple agreements for future equity liability	10,232
Total current liabilities	10,499
Total liabilities	10,499
Commitments and contingencies (Note 5)	
Stockholders' deficit:	
Common stock, $0.0001 par value; 23,600,936 shares authorized and 22,420,889 shares issued and outstanding at December 31, 2023	2
Accumulated deficit	(556)
Total stockholders' deficit	(554)
Total liabilities and stockholders' deficit	$ 9,945

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

Tenet Medicines, Inc.
Statement of Operations and Comprehensive Loss
(in thousands)

	Period from November 08, 2023 (Inception) through December 31, 2023
Operating expenses:	
Research and development	$ 35
Research and development, related party	46
General and administrative	215
General and administrative, related party	28
Total operating expenses	324
Loss from operations	$ (324)
Other expense:	
Change in fair value of simple agreements for future equity liability	(232)
Total other expense	(232)
Net loss and comprehensive loss	$ (556)

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

Tenet Medicines, Inc.
Statement of Stockholders' Deficit
(in thousands, except share data)

	Common Stock		Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount		
Balance at November 08, 2023 (Inception)	—	$ —	$ —	$ —
Issuance of common stock	22,420,889	2	—	2
Net loss	—	—	(556)	(556)
Balance at December 31, 2023	22,420,889	$ 2	$ (556)	$ (554)

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

Tenet Medicines, Inc.
Statement of Cash Flows
(in thousands)

	Period from November 08, 2023 (Inception) through December 31, 2023
Operating activities	
Net loss	$ (556)
Adjustments to reconcile net loss to net cash used in operations:	
Change in fair value of simple agreements for future equity liability	232
Changes in operating assets and liabilities:	
Prepaid expenses	(16)
Accounts payable	187
Accrued expenses	6
Accrued expenses, related party	74
Net cash used in operating activities	(73)
Financing activities	
Proceeds from issuance of simple agreements for future equity	10,000
Proceeds from issuance of common stock	2
Net cash provided by financing activities	10,002
Net cash increase for the period	9,929
Cash at beginning of the period	—
Cash at end of the period	$ 9,929

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

1. Description of Business

Organization

Tenet Medicines, Inc. (the "Company") was incorporated in the state of Delaware on November 8, 2023 and is a privately-held development stage biopharmaceutical company focused on developing therapies to treat a broad range of autoimmune disorders, including systemic lupus erythematosus, immune thrombocytopenia and membranous nephropathy.

Liquidity and Capital Resources

Since inception, the Company has devoted substantially all of its efforts to organizing the Company, business planning, and raising capital. The Company has a limited operating history, and the sales and income potential of its business is unproven. The Company has incurred net losses and negative cash flows from operating activities since its inception and expects to continue to incur net losses into the foreseeable future as it continues the identification and development of its product candidates. From inception through December 31, 2023, the Company has funded its operations through the issuance of simple agreements for future equity ("SAFEs").

Management is required to perform a two-step analysis over its ability to continue as a going concern. Management must first evaluate whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern (step 1). If management concludes that substantial doubt is raised, management is also required to consider whether its plans alleviate that doubt (step 2). Management has prepared cash flow forecasts which indicate that based on the Company's expected operating losses and negative cash flows, there is substantial doubt about the Company's ability to continue as a going concern for twelve months after the date the financial statements for the period ended December 31, 2023 are available to be issued.

As of December 31, 2023, the Company had an accumulated deficit of $0.6 million and cash of $9.9 million. For the period ended December 31, 2023, the Company had a net loss of $0.6 million and net cash used in operating activities of $0.1 million. The Company expects to continue to incur substantial losses in the foreseeable future as a result of the Company's research and development activities.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional funding. Management intends to raise additional capital through equity offerings or debt financings. However, the Company may not be able to secure additional financing in a timely manner or on favorable terms, if at all. Furthermore, if the Company issues equity securities to raise additional funds, its existing stockholders may experience dilution, and the new equity securities may have rights, preferences and privileges senior to those of the Company's existing stockholders. If the Company raises additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to its potential products or proprietary technologies, or grant licenses on terms that are not favorable to the Company. Without additional funds, the Company may be forced to delay, scale back or eliminate some of the Company's research and development activities, or other operations and potentially delay product development in an effort to provide sufficient funds to continue its operations. If any of these events occur, the Company's ability to achieve its development and commercialization goals would be adversely affected.

Accordingly, due to these uncertainties, there is substantial doubt about the Company's ability to continue as a going concern for twelve months after the accompanying financial statements are available to be issued. The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may be necessary should it be determined that the Company is unable to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASU") promulgated by the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting periods. Significant estimates and assumptions are used for, but not limited to the determination of fair value of SAFE commitments. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from these estimates and assumptions.

Cash

Cash represents funds in the Company's operating bank account. The Company maintains significant amounts of cash at one financial institution that are in excess of federally insured limits.

Concentration of Credit Risk

The Company has no significant off-balance sheet concentrations of credit risk, such as foreign currency exchange contracts, option contracts, or other hedging arrangements. Financial instruments which potentially subject the Company to significant concentration of credit risk consist of cash. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. The Company has not experienced any losses in such accounts, and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institution in which those deposits are held.

Comprehensive Loss

Comprehensive loss is defined as a change in equity during a period from transactions and other events and circumstances from non-owner sources. The Company's comprehensive loss was the same as its reported net loss.

Fair Value Option

During the period ended December 31, 2023, the Company issued and entered into SAFEs with investors which granted the investors rights to future equity upon the occurrence of an equity financing event. As permitted under ASC Topic 825, *Financial Instruments*, the Company has elected to use the fair value option to account for the SAFEs issued. The Company concluded that the terms of the SAFEs were at arms-length, and the cash received by the Company at issuance of the SAFEs represented fair value. The SAFEs are recorded as a liability on the balance sheet as they give investors the option to redeem the instrument for cash upon a change in control. The Company records subsequent changes in fair value of the SAFEs as a line item within other expense in the statement of operations and comprehensive loss. Issuance costs related to the SAFEs are expensed in the period incurred. Refer to Note 6 for further information on the SAFEs.

Fair Value of Financial Instruments

The Company is required to disclose information on all assets and liabilities reported at fair value that enables an assessment of the inputs used in determining the reported fair values. ASC Topic 820, *Fair Value Measurement*,

establishes a hierarchy of inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The fair value hierarchy applies only to the valuation inputs used in determining the reported fair value and is not a measure of the investment credit quality. The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

The carrying amounts of cash, prepaid and other current assets, accounts payable, and accrued liabilities approximate fair value due to their short-term natures. No transfers between levels have occurred during the period presented.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs consist of external costs, including expenses incurred under arrangements with related parties and third parties, associated with certain research and development activities conducted on the Company's behalf.

Non-refundable advance payments for goods and services that will be used in future research and development activities are capitalized and recorded as expense in the period that the Company receives the goods or when services are performed.

Commitments and Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of business. The Company accrues a liability for such matters when it is probable that future expenditures will be made and can be reasonably estimated.

The Company recognizes a liability with regard to loss contingencies when it believes it is probable a liability has been incurred and the amount can be reasonably estimated. If some amount within a range of loss appears at the time to be a better estimate than any other amount within the range, the Company accrues that amount. When no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount in the range.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, management considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If management determines that the Company would be able to realize its deferred tax assets in the future in excess of their recorded amount, management would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

As of December 31, 2023, the Company maintained valuation allowances against its deferred tax assets as the Company concluded it had not met the "more likely than not" to be realized threshold. Changes in the valuation allowance when they are recognized in the provision for income taxes may result in a change in the estimated annual effective tax rate.

The Company records uncertain tax positions on the basis of a two-step process whereby (1) management determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more likely than not recognition threshold, management recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes interest and penalties related to unrecognized tax benefits within income tax expense. Any accrued interest and penalties are included within the related tax liability. As of December 31, 2023, the Company had no accrued interest or penalties.

Recently Issued Accounting Pronouncements

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

3. Fair Value Measurements

Liabilities measured at fair value on a recurring basis as of December 31, 2023 are as follows (in thousands):

	As of December 31, 2023		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
SAFEs	$ —	$ —	$ 10,232

Simple Agreement for Future Equity

The Company elected to use the fair value option for the SAFE commitments. SAFEs are measured at fair value using Level 3 significant unobservable inputs. The estimated fair value of the SAFEs at issuance and December 31, 2023, were determined using a valuation model that considered the probability of the occurrence of certain future financing events, an assumed discount rate, and the estimated time period the SAFEs would be outstanding. The assumptions used to determine the fair value of the SAFEs upon issuance in November 2023 and as of December 31, 2023, also included an estimated probability of a financing and a contractual conversion of 90% and 95%, respectively, an assumed discount rate of 21.4% and 19.0%, respectively, and an estimated time period the SAFEs would be outstanding of 0.34 to 1.34 years and 0.25 to 1.25 years, respectively.

The increase in fair value of the SAFE liability for the period ended December 31, 2023 of $0.2 million was recognized in other expense in the statement of operations and comprehensive loss. Refer to Note 6 for further information on the SAFEs.

The following table provides a reconciliation of all liabilities measured at fair value using Level 3 significant unobservable inputs (in thousands):

	SAFEs
Balance at November 8, 2023 (inception)	$ —
Issuance of SAFEs	10,000
Change in fair value of SAFEs	232
Balance at December 31, 2023	$10,232

4. Related Party Transactions

Services Agreement with Sera Services, Inc.

In November 2023, the Company entered into an agreement (the "Sera Services Agreement"), with Sera Services, Inc. ("Sera Services"), a wholly-owned subsidiary of Sera Medicines, LLC. ("Sera Medicines"), pursuant to which Sera Services provides research and other services to the Company. Sera Medicines is a principal stockholder of the Company and, in its capacity as the holder of a majority of the outstanding stock of the Company, controls who serves on the Company's board of directors. Sera Medicines is an entity controlled by RA Capital Management, L.P. The Company's management have a minority ownership in Sera Medicines. Additionally, entities affiliated with RA Capital Management, L.P. entered into SAFEs with the Company in the amount of $10.0 million. Refer to Note 6 for further information on the SAFEs.

Under the terms of the Sera Services Agreement, the Company compensates Sera Services on a fully burdened cost basis for personnel time devoted to Company projects. In addition, the Company reimburses Sera Services on a cost basis for any subcontractor costs incurred. The Company pays Sera Services on a monthly basis, in arrears, for services performed and costs incurred. The Sera Services Agreement has a term of two years and will automatically renew on its anniversary date for additional one-year terms. The Company may terminate the Sera Services Agreement by giving 30 days' prior notice to Sera Services.

The Company incurred $0.1 million in consulting costs for the period ended December 31, 2023, in connection with the Sera Services Agreement, and the amount was reflected on the statement of operations and comprehensive loss and accrued expenses, related party on the balance sheet at period end.

Services Agreement with Carnot Pharma, LLC

In November 2023, the Company entered into an agreement (the "Carnot Services Agreement"), with Carnot Pharma, LLC, ("Carnot"), under which Carnot provides research and other services to the Company. Carnot is an entity controlled by RA Capital Management, L.P.

Under the terms of the Carnot Services Agreement, the Company compensates Carnot on a fully burdened cost basis for personnel time devoted to Company projects. The Company pays Carnot on a monthly basis, in arrears, for services performed and costs incurred. The Carnot Services Agreement is for a term of three years. The Company may terminate the Carnot Services Agreement by giving 30 days' prior notice to Carnot. The Company did not incur any costs for the period ended December 31, 2023 in connection with the Carnot Services Agreement.

5. Commitments and Contingencies

Legal Contingencies

From time to time, the Company may become involved in legal proceedings arising from the ordinary course of business. The Company records a liability for such matters when it is probable that future losses will be incurred

and that such losses can be reasonably estimated. Significant judgment by the Company is required to determine both probability and the estimated amount. Management is not aware of any legal matters that could have a material adverse effect on financial position, results of operations or cash flows.

Guarantees and Indemnifications

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of December 31, 2023, the Company does not have any material indemnification claims that are probable or reasonably possible and consequently has not recorded related liabilities.

6. Simple Agreements for Future Equity

In November 2023, the Company entered into SAFEs with RA Capital Healthcare Fund, L.P. and RA Capital Nexus Fund III, L.P. (together, the "SAFE Holders") for an aggregate of $10.0 million. The SAFEs granted the SAFE Holders rights to participate in future equity financings of the Company. The SAFEs stipulate that if there is an equity financing before the expiration or termination of the SAFEs, the Company will be required to issue to the SAFE Holders a number of shares of standard preferred stock equal to the purchase amount of the equity financing divided by the price per share of the standard preferred stock and multiplied by the discount factor of 90%. In addition, the SAFEs stipulate that if there is a liquidity event before the expiration or termination of the SAFEs, the Company will be required to pay a cash payment equal to the greater of (i) the purchase amount or (ii) the amount payable on the number of shares of common stock equal to the purchase amount divided by the price per share of the common stock and multiplied by the discount factor of 90%. If there is an option provided to the Company's stockholders with respect to the form and amount of proceeds to be received in a liquidity event, then the SAFE Holders will be given the same option. The SAFEs also stipulate that if there is a dissolution event before the expiration or termination of the SAFEs, the Company will pay a cash payment to each SAFE holder equal to the purchase amount of such SAFE holder's SAFE. The SAFEs will automatically terminate immediately following the earliest of either (i) the issuance of stock following the conversion of the SAFEs as outlined above in the event of an equity financing or liquidity event or (ii) the payment of amounts due to the SAFE Holders in the event of a dissolution.

The Company elected to use the fair value option of accounting for the SAFEs and recorded the SAFEs as liabilities. The issuance costs related to the SAFEs were recorded in general and administrative expenses in the statement of operations and comprehensive loss. As of December 31, 2023, the fair value of the SAFEs was $10.2 million.

On April 10, 2024, prior to the execution of the Acquisition Agreement (as described in Note 10 below), the Company and the SAFE Holders amended the SAFEs to change the discount factor from 90% to 100%. All other terms of the SAFEs remained unchanged.

7. Common Stock

As of December 31, 2023, the Company had 23,600,936 authorized shares of common stock of which 22,420,889 shares were issued and outstanding.

Common Stock Purchase Agreement

In November 2023, the Company entered into a common stock purchase agreement with Sera Medicines pursuant to which Sera Medicines purchased 20,000,000 shares of the Company's common stock for a total purchase price of $2,000. In addition, in November 2023, the Company entered into restricted common stock

purchase agreements with three founders of the Company pursuant to which such founders purchased 2,420,889 shares of the Company's common stock for a total purchase price of $242. The founders' shares were issued out of the Company's equity incentive plan, have the same voting rights as other common stock, and are entitled to receive dividends when and if declared by the Company's Board of Directors. The shares purchased by the founders were fully vested upon issuance.

8. Equity Incentive Plan and Stock-Based Compensation

Equity Incentive Plan

In November, the Company's Board of Directors adopted, and its stockholders approved, the 2023 Stock Option and Grant Plan (the "Plan"). The Plan provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock awards, restricted stock units and other stock awards. As of December 31, 2023, the common stock reserved for issuance under the Plan was 2,420,895 shares and 6 shares were available for future grants. As of December 31, 2023, no other awards were granted other than the founders' shares.

Options under the Plan may be granted for periods of up to 10 years and at prices no less than 100.0% of the estimated fair value of the shares on the date of grant as determined by the Company's Board of Directors, provided, however, that the exercise price of an incentive stock option granted to a 10.0% stockholder shall not be less than 110.0% of the estimated fair value of the shares on the date of grant. Options to be granted under the Plan will generally vest monthly over four years with or without one-year cliff vesting, and certain option grants may provide for accelerated vesting if there is a change in control, as defined in the individual award agreements. As of December 31, 2023, no options were granted.

9. Income Taxes

For the period ended December 31, 2023, pretax loss from operations in the United States was $0.6 million. The Company has not recorded a current or deferred tax expense or benefit for the year ended December 31, 2023. The net loss for the year ended December 31, 2023, was generated solely in the United States.

The following table presents a reconciliation of the Company's expected tax computed at the U.S. statutory federal income tax rate to the total provision for income taxes (in thousands):

	Period ended December 31, 2023
U.S. federal tax at statutory rate	$ (117)
State taxes, net of federal benefit	—
Fair value adjustment on simple agreements for future equity	49
Other	1
Change in valuation allowance	67
Total	$ —

The significant components of the Company's deferred tax assets are as follows (in thousands):

	Period ended December 31, 2023
Deferred tax assets:	
Net operating losses	$ 3
Intangible assets	49
Capitalized research and development	15
Total deferred tax assets	$ 67
Valuation allowance	(67)
Deferred tax assets, net of allowance	$ —

Deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Due to the uncertainty of the business in which the Company operates, projections of future profitability are difficult and past profitability is not necessarily indicative of future profitability. The Company does not believe it is more likely than not that the deferred tax assets will be realized, and accordingly, the Company recorded a valuation allowance of $0.1 million.

As of December 31, 2023, the Company has federal net operating loss carryforwards of approximately $13,000. All of the Company's federal net operating loss carryforwards as of December 31, 2023, can by carried forward indefinitely, but are limited to 80% utilization against future taxable income each year.

The Company has not completed a Section 382 study to assess whether an ownership change has occurred or whether there have been multiple ownership changes since the Company's formation. Pursuant to Internal Revenue Code Sections 382 and 383, annual use of the Company's net operating loss and research and development tax credit carryforwards may be limited in the event a cumulative change in ownership of more than 50% occurs within a three-year period. If eliminated, the related asset would be removed from the deferred tax asset schedule with a corresponding reduction in the valuation allowance. Due to the existence of the valuation allowance, limitations created by future ownership changes, if any, will not impact the Company's effective tax rate.

Uncertain tax positions are recorded when it is more likely than not that a given tax position would not be sustained upon examination by taxing authorities. The Company's policy for recording interest and penalties related to income taxes, including uncertain tax positions, is to record such items as a component of the provision for income taxes. As of December 31, 2023, the Company does not have any uncertain tax positions.

The Company is subject to taxation in the United States and various state jurisdictions. All of the Company's tax years are subject to examination by federal and state tax authorities due to the carryforward of unutilized net operating losses. The Company is not currently under examination by any federal, state, or local tax authority.

The Company had no accrued interest or penalties related to income tax matters in the Company's balance sheet as of December 31, 2023.

10. Subsequent Events

The Company evaluated subsequent events through May 16, 2024, the date that the audited financial statements were available for issuance.

Asset purchase agreement with Acelyrin, Inc.

On January 11, 2024, the Company entered into the Asset Purchase Agreement with Acelyrin, for the acquisition of certain assets of Acelyrin related to TNT119 (the "Transferred Assets"), including certain assigned contracts. Under these assigned contracts, Tenet (i) received worldwide licenses (with the right to sublicense) to certain patents, know-how and other intellectual property rights to develop, manufacture, use and commercialize TNT119 (budoprutug) for any non-oncology indication, and (ii) assumed certain liabilities of Acelyrin arising from (1) governmental authority action or notification relating to TNT119, (2) contracts assigned to Tenet pursuant to the Asset Purchase Agreement and (3) Tenet's ownership, lease or operation of the Transferred Assets. The Asset Purchase Agreement includes customary representations, warranties and covenants, as well as standard mutual indemnities, including those covering losses arising from any material breach of the Asset Purchase Agreement.

The Company paid $7.3 million in cash consideration to Acelyrin on the signing date of the Asset Purchase Agreement, in addition to inheriting the rights and obligations, including financial obligations, under the CRH Agreement and the ProBioGen Agreement (in each case, as defined below). The Company determined that the Asset Purchase Agreement should be accounted for as an asset acquisition after considering whether substantially all of the fair value of the gross assets acquired was concentrated in a single asset or group of assets by performing an initial screen test in accordance with FASB ASC Topic 805 *Business Combinations*.

In consideration for the license and other rights the Company received under the Asset Purchase Agreement, the Company is obligated to (i) make total payments of up to $157.5 million to Acelyrin upon the achievement of various development, regulatory and commercial milestones, (ii) pay royalties in the single-digit percentages, subject to specified reductions, to Acelyrin on worldwide net sales in a given calendar year, and (iii) make non-refundable and non-creditable payments to Acelyrin on sublicense income with rates ranging from the low single digit to mid teen percent depending on the stage of development of the most advanced Products (as defined below) at the time of such sublicense. The royalty term continues for each licensed product incorporating or comprising TNT119 (a "Product") on a country-by-country and Product-by-Product basis beginning on the first commercial sale of such Product and ending on the latest of (a) the date when such Product is no longer covered by a valid claim of a royalty-bearing patent in such country, (b) the expiration of any regulatory exclusivity period for such Product in such country, and (c) the twelfth anniversary of the first commercial sale of such Product in such country.

The Company is obligated to use commercially reasonable efforts to commercialize at least one Product in the United States and to achieve specified development, regulatory and commercial milestones set forth in the Asset Purchase Agreement. If Acelyrin asserts that the Company has failed to meet one or more of these diligence obligations within specified time periods, and such failure is finally determined through a dispute resolution process, Acelyrin shall have the right to repurchase the transferred assets at the then-fair market value from Tenet, as Acelyrin's sole and exclusive remedy for such breach.

If, within a specified period, the Company receives a bona fide offer or proposal from a third party to sell, transfer or otherwise divest all or substantially all of the rights to the transferred assets or Products, or grant an exclusive license or exclusive sublicense to such third party to develop and commercialize products under specified terms, then prior to entering into any discussions or negotiations with any third party in relation to such a transaction, the Company shall provide written notice to Acelyrin of such intent or receipt of proposal. Acelyrin shall have the right to negotiate with the Company the terms for a definitive agreement with respect to such sale, transfer or grant of the rights to Products for a specified period of time. If Acelyrin does not exercise its right to

negotiate or the parties are unable to agree on the terms of a definitive agreement, the Company shall have the right to negotiate or enter into an agreement with a third party with respect to such transaction, subject to specified conditions.

For a specified period after the closing date of the Asset Purchase Agreement, the Company shall not solicit, induce, or attempt to induce any employees of Acelyrin to become employees or independent contractors of the Company. If the Company does hire or engage an employee of Acelyrin during such period, the Company is obligated to make a certain payment to Acelyrin.

The Company may not sell, assign or transfer all or substantially all of the rights to develop or commercialize a product unless, as a condition to such sale, assignment or transfer, the purchaser, assignee or transferee (as applicable) assumes in writing all obligations of the Company as set forth in the Asset Purchase Agreement with respect to the applicable Products.

Amended and Restated License Agreement with Cancer Research Technology Limited

In connection with the Asset Purchase Agreement, in January 2024 the Company was assigned a license agreement with Cancer Research Technology Limited ("CRH") and, in connection with such assignment, the Company entered into an amended and restated license agreement (the "CRH Agreement") with Cancer Research Technology Limited ("CRH"). The CRH Agreement granted the Company an exclusive license (other than specified patent rights and materials, which are licensed to the Company on a non-exclusive basis) under certain know-how, patents and materials, or the licensed rights, to research, develop, test, manufacture or sell certain licensed products related to TNT119 worldwide for all therapeutics uses except for oncology indications. The Company is permitted to grant a sublicense under these licenses with CRH's prior written consent. CRH retains, on behalf of itself and the charitable company Cancer Research U.K., a worldwide, fully paid-up, perpetual and irrevocable right in the licensed rights and in certain intellectual property owned or controlled by the Company that is necessary to exploit the licensed products and used, conceived or generated in the course of exercising the license or exploiting any licensed product, or product-specific foreground intellectual property, for the purpose of non-commercial, non-clinical scientific research.

The Company is obligated to use commercially reasonable efforts to perform all activities set forth in a mutually agreed-upon development plan within the timelines set forth therein. The Company is also obligated to develop at least one licensed product in an autoimmune indication and to pursue regulatory authorization throughout the territory for licensed products. The Company must use commercially reasonable efforts to commercialize each licensed product throughout each major market as soon as practicable following receipt of regulatory authorization for such product in such market. Additionally, the Company must make the licensed product available in the United Kingdom and negotiate with relevant regulatory authorities to make each licensed product available through the National Health Service in England and Wales within a specified time of the licensed product being made available elsewhere in the territory. If the Company fails to meet one or more of these diligence obligations, and such failure is not remedied within the specified cured period, CRH shall have the right to terminate the CRH Agreement with respect to the relevant licensed product.

In conjunction with the amended CRH Agreement in January 2024, the Company paid a signature fee to CRH of £0.4 million ($0.4 million), and the Company is obligated to pay CRH a mid-five figure digit fee annually. The Company is obligated pay up to an aggregate of £106.8 million ($136.1 million) upon the achievement of specified development, regulatory, commercial and sales milestone events, including: (i) payments of up to mid-six figure digits in pounds sterling for certain development milestones, (ii) payments of up to low-eight figures in pounds sterling per indication (for up to three indications) for certain regulatory and commercial milestones and (iii) payments up to mid-eight figures in pounds sterling for certain sales milestones. The Company is also obligated to pay tiered royalties ranging from a rate in the mid-single digit to high-single digit percentage on net sales. The royalty term continues for each licensed product on a country-by-country basis beginning on the first commercial sale of such licensed product and ending on the latest of (a) the date when such

licensed product is no longer covered by a valid claim of a licensed patent in such country, (b) the expiration of the exclusivity period for such licensed product in such country, and (c) the tenth anniversary of the first commercial sale of such licensed product in such country. Tenet is also responsible for a sublicensing revenue payment ranging from a rate in the mid-single digit to mid-double digits for any sublicense revenue.

The CRH Agreement shall remain in effect in each country in the territory until the expiry of the Company's obligation to pay royalties in such country. Either party may terminate the CRH Agreement if the other party is in material breach that has not been remedied within the specified cure period or if the other party becomes insolvent. CRH also has the right to terminate the CRH Agreement if the Company or one of the Company's sublicensees or affiliates challenges a licensed patent, or if the Company is acquired by a tobacco company.

ProBioGen Development, Manufacturing Services and License Agreement

In connection with the Asset Purchase Agreement, the Company was assigned a contract for cell line development, manufacturing services and a license agreement (the "ProBioGen Agreement") with ProBioGen AG ("ProBioGen"). ValenzaBio originally entered into the ProBioGen Agreement to research, develop and commercialize innovative therapies using ProBioGen's proprietary technology, and ValenzaBio used this technology in its development of TNT119. At the time the Company entered into the Asset Purchase Agreement, the development and manufacturing services were complete, and the Company did not make any separate payments for the assignment of the ProBioGen Agreement from Acelyrin.

The ProBioGen Agreement granted the Company a commercial non-exclusive license under the license patent rights and licensed know-how in the territory in which ProBioGen's proprietary technology is applied for the research, development, manufacture, use, sale, and offer for sale, import or export of TNT119. The commercial product license includes a non-exclusive sublicense of the licensed patent rights, limited to the use of TNT119.

In connection with the terms of the ProBioGen Agreement, the Company is obligated to (i) make payments of up to €10.0 million ($10.9 million) upon the achievement of certain development and manufacturing milestones such as the start of a Phase 2 clinical trial, (ii) make milestone payments of up to €7.0 million ($7.7 million) upon the achievement of annual net sales-based milestones. If the Company elects to contract ProBioGen to perform certain manufacturing services, the milestone payments will be reduced by €0.9 million ($1.1 million).

The ProBioGen Agreement will remain in effect until the services are completed for the service-related component and until the payment obligations expire in connection with the ProBioGen license component. Both parties have the right to terminate the ProBioGen Agreement if the other party becomes insolvent, or materially breaches the ProBioGen Agreement and fails to remedy any such default within the specified cure periods.

SAFEs Amendment

On April 10, 2024, prior to the execution of the Acquisition Agreement (as described below), the Company and the SAFE Holders (as described in Note 6) amended the SAFEs to change the discount factor from 90% to 100%. All other terms of the SAFEs remained unchanged.

Acquisition Agreement

On April 10, 2024, the Company entered into an agreement and plan of merger and reorganization (the "Acquisition Agreement") with Eliem Therapeutics, Inc., a Delaware corporation ("Eliem"), and Tango Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Eliem ("Transitory Subsidiary"). The Acquisition Agreement provides for the acquisition of the Company by Eliem through the merger of Transitory Subsidiary into the Company, with the Company surviving as a wholly owned subsidiary of Eliem ("the Acquisition").

At the effective time of the Acquisition, and without any action on the part of the holders of common stock of the Company, (i) all issued and outstanding shares of the common stock of the Company and (ii) all securities convertible into shares of common stock of the Company will be converted into the right to receive, in the aggregate, a number of shares of Eliem's common stock equal to fifteen and two-fifths percent (15.4%) of the outstanding shares of Eliem's common stock as of immediately following the closing of the Acquisition, calculated on a fully-diluted basis using the treasury stock method (the "Aggregate Consideration"). The Acquisition is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

The Acquisition Agreement contains certain termination rights of both the Company and Eliem, including if Eliem's stockholders fail to adopt and approve the issuance of the Aggregate Consideration. Upon termination of the Acquisition Agreement under specified circumstances, Eliem may be required to pay the Company a termination fee of $1.0 million and reimburse the Company's transaction-related expenses up to a maximum of $0.5 million.

In addition, pursuant to the Acquisition Agreement, the SAFE Holders will enter into SAFE cancellation agreements prior to the closing of the Acquisition with the Company, and in accordance with the Acquisition Agreement, immediately prior to the closing of the Acquisition, each SAFE that is then outstanding shall, without any action on the part of Eliem, the Company, any SAFE Holder or any other person, terminate and be canceled, and be converted into the right to receive the applicable portion of the Aggregate Consideration as set forth in accordance with the Acquisition Agreement.

Bridge Loan

On May 14, 2024, the Company entered into a Senior Secured Promissory Note (the "Note") with Eliem pursuant to which Eliem will make short-term loans (the "Loan" or "Loans") to Tenet in an aggregate principal amount of up to $15.0 million. On or about the date of execution of the Note, Eliem made an initial Loan to the Company of $5.0 million to provide the Company with sufficient cash to fund its operations prior to the consummation of the Acquisition. The Company's ability to borrow the remaining $10.0 million under the Note is subject to certain conditions and restrictions on use.

The Loans will bear simple interest at a fixed rate per annum of 6%. All outstanding Loans, together with accrued interest, will become due and payable upon the earlier of (i) 12 months from the date of issuance the Note, (ii) the occurrence of specified corporate transactions, or (iii) the Company's receipt of at least $15.0 million in gross proceeds from the closing of a bona fide equity and/or debt financing.

Under the Note, the Company granted Eliem a continuing, first-priority perfected security interest in all of the Company's present and future assets, properties and rights, whether tangible or intangible, including, without limitation, the intellectual property of the Company. The Note contains certain customary representations and warranties and certain customary events of default.

Tenet Medicines, Inc.
Condensed Balance Sheets
(in thousands, except share and par value data)

	As of March 31, 2024 (Unaudited)	As of December 31, 2023
Assets		
Current assets:		
Cash	$ 1,726	$ 9,929
Prepaid expenses	216	16
Total current assets	1,942	9,945
Total assets	$ 1,942	$ 9,945
Liabilities, and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 613	$ 187
Accrued expenses	390	6
Accrued expenses, related party	391	74
Simple agreements for future equity liability	10,066	10,232
Total current liabilities	11,460	10,499
Total liabilities	11,460	10,499
Commitments and contingencies (Note 9)		
Stockholders' deficit:		
Common stock, $0.0001 par value; 23,600,936 shares authorized and 22,420,889 shares issued and outstanding at March 31, 2024 and December 31, 2023	2	2
Accumulated deficit	(9,520)	(556)
Total stockholders' deficit	(9,518)	(554)
Total liabilities and stockholders' deficit	$ 1,942	$ 9,945

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

Tenet Medicines, Inc.
Condensed Statement of Operations and Comprehensive Loss
(Unaudited)
(in thousands)

	Three Months Ended March 31, 2024
Operating expenses:	
Research and development	$ 917
Research and development, related party	261
In-process research and development	7,003
General and administrative	793
General and administrative, related party	146
Total operating expenses	9,120
Loss from operations	$ (9,120)
Other income (expense), net:	
Change in fair value of simple agreements for future equity liability	166
Other expense	(10)
Total other income (expense), net	156
Net loss and comprehensive loss	$ (8,964)

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

Tenet Medicines, Inc.
Condensed Statement of Stockholders' Deficit
(Unaudited)
(in thousands, except share data)

	Common Stock		Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount		
Balance at December 31, 2023	22,420,889	$ 2	$ (556)	$ (554)
Net loss	—	—	(8,964)	(8,964)
Balance at March 31, 2024	22,420,889	$ 2	$ (9,520)	$ (9,518)

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

Tenet Medicines, Inc.
Condensed Statement of Cash Flows
(Unaudited)
(in thousands)

	Three Months Ended March 31, 2024
Operating activities	
Net loss	$ (8,964)
Adjustments to reconcile net loss to net cash used in operations:	
Change in fair value of simple agreements for future equity liability	(166)
Acquired in-process research and development	7,003
Changes in operating assets and liabilities:	
Prepaid expenses	133
Accounts payable	426
Accrued expenses	313
Accrued expenses, related party	317
Net cash used in operating activities	(938)
Investing activities	
Purchase of in-process research and development asset	(7,265)
Net cash used in investing activities	(7,265)
Net change in cash for the period	(8,203)
Cash at beginning of the period	9,929
Cash at end of the period	$ 1,726

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

1. Description of the Business

Overview

Tenet Medicines, Inc. (the "Company") was incorporated in the state of Delaware in November 2023 and is a privately held development stage biopharmaceutical company focused on developing therapies to treat a broad range of autoimmune disorders, including systemic lupus erythematosus, immune thrombocytopenia and membranous nephropathy.

Basis of Presentation

The accompanying condensed balance sheet as of March 31, 2024, and condensed statement of operations and comprehensive loss, condensed statement of cash flows, and condensed statement of stockholders' deficit for the three months ended March 31, 2024, are unaudited. The balance sheet as of December 31, 2023 was derived from the audited financial statements as of and for the period ended December 31, 2023, but it does not include all disclosures required by U.S. generally accepted accounting principles ("GAAP"). The unaudited interim condensed financial statements have been prepared on a basis consistent with the audited annual financial statements as of and for the period ended December 31, 2023, and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair statement of the Company's financial position as of March 31, 2024, the condensed results of its operations for the three months ended March 31, 2024, and its cash flows for the three months ended March 31, 2024. The financial data and other information disclosed in these notes related to the three months ended March 31, 2024 are also unaudited. The historical results for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the full year ending December 31, 2024 or any other period. These interim condensed financial statements should be read in conjunction with the Company's audited financial statements included elsewhere in this proxy statement.

Liquidity and Going Concern

Since inception, the Company has devoted substantially all of its efforts to organizing the Company, business planning, raising capital, acquiring intellectual property related to TNT119 and developing TNT119. The Company has a limited operating history, and the sales and income potential of its business is unproven. The Company has incurred net losses since its inception and expects to continue to incur net losses into the foreseeable future as it continues the development of TNT119. From inception through March 31, 2024, the Company has funded its operations through the issuance of simple agreements for future equity ("SAFEs").

Management is required to perform a two-step analysis over its ability to continue as a going concern. Management must first evaluate whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern (step 1). If management concludes that substantial doubt is raised, management is also required to consider whether its plans alleviate that doubt (step 2). Management has prepared cash flow forecasts which indicate that based on the Company's expected operating losses and negative cash flows, there is substantial doubt about the Company's ability to continue as a going concern for twelve months after the date the interim financial statements for the period ended March 31, 2024 are available to be issued.

As of March 31, 2024 and December 31, 2023, the Company had an accumulated deficit of $9.5 million and $0.6 million, respectively. As of March 31, 2024 and December 2023, the Company had cash of $1.7 million and $9.9 million, respectively. For the three months ended March 31, 2024, the Company had a net loss of $9.0 million and net cash used in operating activities of $0.9 million. The Company expects to continue to incur substantial losses in the foreseeable future as a result of the Company's research and development activities.

The Company's ability to continue as a going concern is dependent upon its ability to raise additional funding. Management intends to raise additional capital through equity offerings or debt financings. However, the Company may not be able to secure additional financing in a timely manner or on favorable terms, if at all. Furthermore, if the Company issues equity securities to raise additional funds, its existing stockholders may experience dilution, and the new equity securities may have rights, preferences and privileges senior to those of the Company's existing stockholders. If the Company raises additional funds through collaboration, licensing or other similar arrangements, it may be necessary to relinquish valuable rights to its potential products or proprietary technologies, or grant licenses on terms that are not favorable to the Company. Without additional funds, the Company may be forced to delay, scale back or eliminate some of the Company's research and development activities, or other operations and potentially delay product development in an effort to provide sufficient funds to continue its operations. If any of these events occur, the Company's ability to achieve its development and commercialization goals would be adversely affected.

Accordingly, due to these uncertainties, there is substantial doubt about the Company's ability to continue as a going concern for twelve months after the accompanying interim financial statements are available to be issued. The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business, and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities that may be necessary should it be determined that the Company is unable to continue as a going concern.

2. Summary of Significant Accounting Policies

In addition to the policies below, the Company's significant accounting policies are disclosed in Note 2 of the audited financial statements for the period ended December 31, 2023. Since the date of those financial statements, there have been no other changes to the Company's significant accounting policies.

Asset Acquisitions

In accordance with the guidance in Topic 805, *Business Combinations*, in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC"), the Company evaluates acquisitions of assets and related liabilities and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a screen test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen test is met, the transaction is accounted for as an asset acquisition. If the screen test is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the requirements of a business.

The Company accounts for an asset acquisition by recognizing net assets based on the cost to the acquiring entity on a relative fair value basis. Goodwill is not recognized in an asset acquisition; any excess consideration transferred over the fair value of the net assets acquired is allocated to the non-monetary identifiable assets and liabilities assumed based on relative fair values. In-process research and development acquired in an asset acquisition is expensed provided there is no alternative future use. The Company accounts for future payments such as those upon achievement of certain regulatory, development or sales milestones in such asset acquisitions when the underlying milestones are achieved. Milestone payments made to third parties subsequent to regulatory approval may be capitalized as intangible assets, if deemed to have alternative future use, and amortized over the estimated remaining useful life of the related product.

Accrued Research and Development Expense

The Company is required to estimate its expenses resulting from its obligations under contracts with vendors, consultants, and clinical research organizations in connection with conducting research and development

activities. The financial terms of these contracts are subject to negotiations, which vary from contract to contract and may result in payment flows that do not match the periods over which materials or services are provided under such contracts. The Company reflects research and development expenses in its financial statements by recognizing those expenses within the period in which services and efforts are expended. The Company accounts for these expenses according to the progress of the related study as measured by the timing of various aspects of the study or related activities. The Company determines accrual and prepaid estimates through review of the underlying contracts along with preparation of financial models taking into account correspondence with key personnel and third-party service providers as to the progress of studies or services being conducted. To date, the Company has had no material differences between its estimates of such expenses and the amounts actually incurred. During the course of a study, the Company adjusts its expense recognition if actual results differ from its estimates.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development costs consist of external costs, including expenses incurred under arrangements with related parties and third parties and expenses associated with certain research and development activities conducted on the Company's behalf.

Non-refundable advance payments for goods and services that will be used in future research and development activities are capitalized and recorded as expense in the period that the Company receives the goods or when services are performed.

3. Fair Value Measurements

Liabilities measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 are as follows (in thousands):

	As of March 31, 2024			As of December 31, 2023		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
SAFEs	$ —	$ —	$ 10,066	$ —	$ —	$ 10,232

Simple Agreement for Future Equity

The Company elected to use the fair value option for the SAFE commitments. SAFEs are measured at fair value using Level 3 significant unobservable inputs. The estimated fair value of the SAFEs as of March 31, 2024 and December 31, 2023, were determined using a valuation model that considered the probability of the occurrence of certain future financing events, an assumed discount rate, and the estimated time period the SAFEs would be outstanding. The assumptions used to determine the fair value of the SAFEs as of March 31, 2024 and December 31, 2023 also included an estimated probability of a financing and a contractual conversion of 100% and 95%, respectively, an assumed discount rate of 21.0% and 19.0%, respectively, and an estimated time period the SAFEs would be outstanding of 0.25 years and 0.25 to 1.25 years, respectively.

The decrease in fair value of the SAFE liability for the three months ended March 31, 2024 of $0.2 million was recognized in other income in the condensed statement of operations and comprehensive loss. Refer to Note 10 for further information on the SAFEs.

The following table provides a reconciliation of all liabilities measured at fair value using Level 3 significant unobservable inputs (in thousands):

	SAFEs
Balance at November 8, 2023 (inception)	$ —
Issuance of SAFEs	10,000
Change in fair value of SAFEs	232
Balance at December 31, 2023	$10,232
Change in fair value of SAFEs	(166)
Balance at March 31, 2024	$10,066

4. Prepaid Expenses

Prepaid expenses consisted of the following for the periods indicated (in thousands):

	As of March 31, 2024	As of December 31, 2023
Research	$ 129	$ 16
Clinical	87	—
Total	$ 216	$ 16

5. Accounts Payable

Accounts payable consisted of the following for the periods indicated (in thousands):

	As of March 31, 2024	As of December 31, 2023
Professional services	$ 259	$ 184
Research	161	—
Clinical	9	—
Recruiting	122	—
Other	62	3
Total	$ 613	$ 187

6. Related Party Agreements and Transactions

Services Agreement with Sera Services, Inc.

In November 2023, the Company entered into an agreement (the "Sera Services Agreement") with Sera Services, Inc. ("Sera Services"), a wholly-owned subsidiary of Sera Medicines, LLC ("Sera Medicines"), pursuant to which Sera Services provides research and other services to the Company. Sera Medicines is a principal stockholder of the Company and, in its capacity as the holder of a majority of the outstanding stock of the Company, controls who serves on the Company's board of directors. Sera Medicines is an entity controlled by RA Capital Management, L.P. The Company's management have a minority ownership in Sera Medicines. Additionally, entities affiliated with RA Capital Management, L.P. entered into SAFEs with the Company in the amount of $10.0 million. Refer to Note 10 for further information on the SAFEs.

Under the terms of the Sera Services Agreement, the Company compensates Sera Services on a fully burdened cost basis for personnel time devoted to Company projects. In addition, the Company reimburses Sera Services on a cost basis for any subcontractor costs incurred. The Company pays Sera Services on a monthly basis, in

arrears, for services performed and costs incurred. The Sera Services Agreement has a term of two years and will automatically renew on its anniversary date for additional one-year terms. The Company may terminate the Sera Services Agreement by giving 30 days' prior notice to Sera Services.

The Company incurred $0.4 million in consulting costs for the three months ended March 31, 2024, in connection with the Sera Services Agreement, and the amount was reflected in research and development, related party and general and administrative, related party on the condensed statement of operations and comprehensive loss and accrued expenses, related party on the condensed balance sheets.

Services Agreement with Carnot Pharma, LLC

In November 2023, the Company entered into an agreement (the "Carnot Services Agreement"), with Carnot Pharma, LLC, ("Carnot"), under which Carnot provides research and other services to the Company. Carnot is an entity controlled by RA Capital Management, L.P.

Under the terms of the Carnot Services Agreement, the Company compensates Carnot on a fully burdened cost basis for personnel time devoted to Company projects. The Company pays Carnot on a monthly basis, in arrears, for services performed and costs incurred. The Carnot Services Agreement is for a term of three years. The Company may terminate the Carnot Services Agreement by giving 30 days' prior notice to Carnot. The Company did not incur any costs for the three months ended March 31, 2024 in connection with the Carnot Services Agreement.

Services Agreement with Blackbird Clinical, Inc.

In January 2024, the Company entered into an agreement (the "Blackbird Services Agreement"), with Blackbird Clinical Inc., ("Blackbird"), under which Blackbird provides consulting and other services to the Company related to clinical trials. Blackbird is an entity controlled by RA Capital Management, L.P.

The Blackbird Services Agreement contract amount was $0.4 million to be paid in quarterly installments, in arrears, for services performed and costs incurred. The Blackbird Services Agreement has a term of one year. The Company may terminate the Blackbird Services Agreement by giving 45 days' prior notice to Blackbird. The Company incurred $0.1 million in consulting costs for the three months ended March 31, 2024 in connection with the Blackbird Services Agreement, and the amount was reflected as research and development, related party on the condensed statement of operations and comprehensive loss.

7. Asset Purchase Agreement with Acelyrin, Inc.

On January 11, 2024, the Company entered into an Asset Purchase Agreement with Acelyrin, for the acquisition of the Transferred Assets, including certain assigned contracts for the development of TNT119. Under these assigned contracts, Tenet (i) received worldwide licenses (with the right to sublicense) to certain patents, know-how and other intellectual property rights to develop, manufacture, use and commercialize TNT119 (budoprutug) for any non-oncology indication, and (ii) assumed certain liabilities of Acelyrin arising from (1) governmental authority action or notification relating to TNT119, (2) contracts assigned to Tenet pursuant to the Asset Purchase Agreement and (3) Tenet's ownership, lease or operation of the Transferred Assets. The Asset Purchase Agreement includes customary representations, warranties and covenants, as well as standard mutual indemnities, including those covering losses arising from any material breach of the Asset Purchase Agreement.

The Company paid $7.3 million in cash consideration to Acelyrin on the signing date of the Asset Purchase Agreement, in addition to inheriting the rights and obligations, including financial obligations, under the CRH Agreement and the ProBioGen Agreement (in each case, as defined below). The Company determined that the Asset Purchase Agreement should be accounted for as an asset acquisition after considering whether substantially all of the fair value of the gross assets acquired was concentrated in a single asset or group of assets by performing an initial screen test in accordance with FASB ASC Topic 805 *Business Combination*.

In consideration for the license and other rights the Company received under the Asset Purchase Agreement, the Company is obligated to (i) make total payments of up to $157.5 million to Acelyrin upon the achievement of various development, regulatory and commercial milestones, (ii) pay royalties in the single-digit percentages, subject to specified reductions, to Acelyrin on worldwide net sales in a given calendar year, and (iii) make non-refundable and non-creditable payments to Acelyrin on sublicense income with rates ranging from the low single digit to mid teen percent depending on the stage of development of the most advanced Products (as defined below) at the time of such sublicense. The royalty term continues for each licensed product incorporating or comprising TNT119 (a "Product") on a country-by-country and Product-by-Product basis beginning on the first commercial sale of such Product and ending on the latest of (a) the date when such Product is no longer covered by a valid claim of a royalty-bearing patent in such country, (b) the expiration of any regulatory exclusivity period for such Product in such country, and (c) the twelfth anniversary of the first commercial sale of such Product in such country. For the period from January 11, 2024 to March 31, 2024, no milestone payments had been accrued as the underlying milestones were not achieved.

The Company is obligated to use commercially reasonable efforts to commercialize at least one Product in the United States and to achieve specified development, regulatory and commercial milestones set forth in the Asset Purchase Agreement. If Acelyrin asserts that the Company has failed to meet one or more of these diligence obligations within specified time periods, and such failure is finally determined through a dispute resolution process, Acelyrin shall have the right to repurchase the transferred assets at the then-fair market value from Tenet, as Acelyrin's sole and exclusive remedy for such breach.

If, within a specified period, the Company receives a bona fide offer or proposal from a third party to sell, transfer or otherwise divest all or substantially all of the rights to the transferred assets or Products, or grant an exclusive license or exclusive sublicense to such third party to develop and commercialize products under specified terms, then prior to entering into any discussions or negotiations with any third party in relation to such a transaction, the Company shall provide written notice to Acelyrin of such intent or receipt of proposal. Acelyrin shall have the right to negotiate with the Company the terms for a definitive agreement with respect to such sale, transfer or grant of the rights to Products for a specified period of time. If Acelyrin does not exercise its right to negotiate or the parties are unable to agree on the terms of a definitive agreement, the Company shall have the right to negotiate or enter into an agreement with a third party with respect to such transaction, subject to specified conditions.

For a specified period after the closing date of the Asset Purchase Agreement, the Company shall not solicit, induce, or attempt to induce any employees of Acelyrin to become employees or independent contractors of the Company. If the Company does hire or engage an employee of Acelyrin during such period, the Company is obligated to make a certain payment to Acelyrin.

The Company may not sell, assign or transfer all or substantially all of the rights to develop or commercialize a product unless, as a condition to such sale, assignment or transfer, the purchaser, assignee or transferee (as applicable) assumes in writing all obligations of the Company as set forth in the Asset Purchase Agreement with respect to the applicable Products.

The acquired asset, including the prepaid expenses, was measured and recognized as an allocation of the transaction price based on the relative fair value as of the transaction date with any value associated with in-process research and development ("IPR&D") being expensed. The fair value of the total consideration was $7.3 million, which consisted solely of cash. The allocation of the purchase price was as follows (amounts in thousands):

Acquired in-process research and development	$7,003
Prepaid expenses	297
Net assets acquired	$7,300

The IPR&D asset acquired related to TNT119. As a result, the entire cash consideration, other than prepaid expenses, was allocated to TNT119. The Company concluded that the acquired asset did not have an alternative future use and recognized the full amount of $7.0 million as IPR&D in the condensed statement of operations and comprehensive loss in January 2024.

8. License Agreements

Amended and Restated License Agreement with Cancer Research Technology Limited

In connection with the Asset Purchase Agreement, in January 2024 the Company was assigned a license agreement with Cancer Research Technology Limited ("CRH") and, in connection with such assignment, the Company entered into an amended and restated license agreement with CRH (the "CRH Agreement"). The CRH Agreement granted the Company a worldwide exclusive license (other than specified patent rights and materials, which are licensed to Tenet on a non-exclusive basis) under certain know-how, patents and materials, or the licensed rights, to research, develop, test, manufacture or sell certain licensed products related to TNT119 for all therapeutic uses except for oncology indications. The Company is permitted to grant a sublicense under these licenses with CRH's prior written consent. CRH retains, on behalf of itself and the charitable company Cancer Research U.K., a worldwide, fully paid-up, perpetual and irrevocable right in the licensed rights and in certain intellectual property owned or controlled by the Company that is necessary to exploit the licensed products and used, conceived or generated in the course of exercising the license or exploiting any licensed product, or product-specific foreground intellectual property, for the purpose of non-commercial, non-clinical scientific research.

The Company is obligated to use commercially reasonable efforts to perform all activities set forth in a mutually agreed-upon development plan within the timelines set forth therein. The Company is also obligated to develop at least one licensed product in an autoimmune indication and to pursue worldwide regulatory authorization for licensed products. The Company must use commercially reasonable efforts to commercialize each licensed product throughout each of the specified major markets as soon as practicable following receipt of regulatory authorization for such product in such market. Additionally, the Company must make the licensed product available through the United Kingdom and negotiate with relevant regulatory authorities to make each licensed product available through the National Health Service in England and Wales within a specified time of the licensed product being made available elsewhere in the territory. If the Company fails to meet one or more of these diligence obligations, and such failure is not remedied within the specified cured period, CRH shall have the right to terminate the CRH Agreement with respect to the relevant licensed product.

The Company paid a signature fee to CRH of £0.4 million ($0.4 million), and the Company is obligated to pay CRH a mid-five figure digit fee annually. The Company is obligated pay up to an aggregate of £106.8 million ($136.1 million) upon the achievement of specified development, regulatory, commercial and sales milestone events, including: (i) payments of up to mid-six figure digits in pounds sterling for certain development milestones, (ii) payments of up to low-eight figures in pounds sterling per indication (for up to three indications) for certain regulatory and commercial milestones and (iii) payments up to mid-eight figures in pounds sterling for certain sales milestones. The Company is also obligated to pay tiered royalties ranging from a rate in the mid-single digit to high-single digit percentage on net sales. The royalty term continues for each licensed product on a country-by-country basis beginning on the first commercial sale of such licensed product and ending on the latest of (a) the date when such licensed product is no longer covered by a valid claim of a licensed patent in such country, (b) the expiration of the exclusivity period for such licensed product in such country, and (c) the tenth anniversary of the first commercial sale of such licensed product in such country. Tenet is also responsible for a sublicensing revenue payment ranging from a rate in the mid-single digit to mid-double digits for any sublicense revenue.

The Company concluded that the CRH Agreement should be accounted for separately from the Asset Purchase Agreement and, as a result, the signature fee of £0.4 million ($0.4 million) paid to CRH was recorded as a

contract expense as research and development expense on the statement of operations and comprehensive loss. The Company will account for future payments under the CRH Agreement when the applicable milestones are achieved. The Company will expense the annual fee to be paid to CRH on the anniversary date of the CRH Agreement, as research and development expense. For the period from the execution of the CRH Agreement to March 31, 2024, no milestone payments had been accrued as no milestones under the CRH Agreement had been achieved.

The CRH Agreement shall remain in effect in each country in the territory until the expiry of the Company's obligation to pay royalties in such country. Either party may terminate the CRH Agreement if the other party is in material breach that has not been remedied within the specified cure period or if the other party becomes insolvent. CRH also has the right to terminate the CRH Agreement if the Company or one of the Company's sublicensees or affiliates challenges a licensed patent, or if the Company is acquired by a tobacco company.

ProBioGen Development, Manufacturing Services and License Agreement

In connection with the Asset Purchase Agreement, the Company was assigned a contract for cell line development, manufacturing services and a license agreement (the "ProBioGen Agreement") originally entered into between ValenzaBio and ProBioGen AG ("ProBioGen"). ValenzaBio originally entered into the ProBioGen Agreement to research, develop and commercialize innovative therapies using ProBioGen's proprietary technology, and ValenzaBio used this technology in the development of TNT119. At the time the Company entered into the Asset Purchase Agreement, the development and manufacturing services were complete, and the Company did not make any separate payments for the assignment of the ProBioGen Agreement.

The ProBioGen Agreement granted the Company a commercial non-exclusive license under the license patent rights and licensed know-how in the territory in which ProBioGen's proprietary technology is applied for the research, development, manufacture, use, sale, and offer for sale, import or export of TNT119. The commercial product license includes a non-exclusive sublicense of the licensed patent rights, limited to the use of TNT119.

In connection with the terms of the ProBioGen Agreement, the Company is obligated to (i) make payments of up to €10.0 million ($10.9 million) upon the achievement of certain development and manufacturing milestones, such as the start of a Phase 2 clinical trial, and (ii) make milestone payments of up to €7.0 million ($7.7 million) upon the achievement of annual net sales-based milestones. If the Company elects to contract ProBioGen to perform certain manufacturing services, the milestone payments will be reduced by €0.9 million ($1.1 million). For the period from the assignment of the ProBioGen Agreement to March 31, 2024, no milestone payments had been accrued as the underlying milestones were not achieved.

The ProBioGen Agreement will remain in effect until the services are completed for the service-related component and until the payment obligations expire in connection with the ProBioGen license component. Both parties have the right to terminate the ProBioGen Agreement if the other party becomes insolvent, or materially breaches the ProBioGen Agreement and fails to remedy any such default within the specified cure periods.

9. Commitments and Contingencies

Legal Contingencies

From time to time, the Company may become involved in legal proceedings arising from the ordinary course of business. The Company records a liability for such matters when it is probable that future losses will be incurred and that such losses can be reasonably estimated. Significant judgment by the Company is required to determine both probability and the estimated amount. Management is not aware of any legal matters that could have a material adverse effect on financial position, results of operations or cash flows.

Guarantees and Indemnifications

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. The Company's exposure under these agreements is unknown because it

involves claims that may be made against the Company in the future. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of March 31, 2024 and December 31, 2023, the Company did not have any material indemnification claims that are probable or reasonably possible and consequently has not recorded related liabilities.

10. Simple Agreements for Future Equity

In November 2023, the Company entered into SAFEs with RA Capital Healthcare Fund, L.P. and RA Capital Nexus Fund III, L.P. (the "SAFE Holders") for an aggregate of $10.0 million. The SAFEs granted the SAFE Holders rights to participate in future equity financings of the Company. The SAFEs stipulate that if there is an equity financing before the expiration or termination of the SAFEs, the Company will be required to issue to the SAFE Holders a number of shares of standard preferred stock equal to the purchase amount of the equity financing divided by the price per share of the standard preferred stock and multiplied by the discount factor of 90%. In addition, the SAFEs stipulate that if there is a liquidity event before the expiration or termination of the SAFEs, the Company will be required to pay a cash payment equal to the greater of (i) the purchase amount or (ii) the amount payable on the number of shares of common stock equal to the purchase amount divided by the price per share of the common stock and multiplied by the discount factor of 90%. If there is an option provided to the Company's stockholders with respect to the form and amount of proceeds to be received in a liquidity event, then the SAFE Holders will be given the same option. The SAFEs also stipulate that if there is a dissolution event before the expiration or termination of the SAFEs, the Company will pay a cash payment to each SAFE Holder equal to the purchase amount of such SAFE Holder's SAFE. The SAFEs will automatically terminate immediately following the earliest of either (i) the issuance of stock following the conversion of the SAFEs as outlined above in the event of a Company equity financing or liquidity event or (ii) the payment of amounts due to SAFE Holders in the event of a Company dissolution.

The Company elected to use the fair value option of accounting for the SAFEs and recorded the SAFEs as liabilities. As of March 31, 2024 and December 31, 2023, the fair value of the SAFEs were $10.1 million and $10.2 million, respectively.

On April 10, 2024, prior to the execution of the Acquisition Agreement (as described in Note 13 below), the Company and the SAFE Holders amended the SAFEs to change the discount factor from 90% to 100%. All other terms of the SAFEs remained unchanged.

11. Common Stock

As of March 31, 2024 and December 31, 2023, the Company had 23,600,936 authorized shares of common stock of which 22,420,889 shares were issued and outstanding.

Common Stock Purchase Agreements

In November 2023, the Company entered into a common stock purchase agreement with Sera Medicines pursuant to which Sera Medicines purchased 20,000,000 shares of the Company's common stock for a total purchase price of $2,000. In addition, in November 2023, the Company entered into restricted common stock purchase agreements with three founders of the Company pursuant to which such founders purchased 2,420,889 shares of the Company's common stock for a total purchase price of $242. The founders' shares were issued under the Company's equity incentive plan, have the same voting rights as other Tenet common stock, and are entitled to receive dividends when and if declared by the Company's Board of Directors. The shares purchased by the founders were fully vested upon issuance.

12. Equity Incentive Plan and Stock-Based Compensation

Equity Incentive Plan

In November, the Company's Board of Directors adopted, and its stockholders approved, the 2023 Stock Option and Grant Plan (the "Plan"). The Plan provides for the grant of incentive stock options, non-qualified stock

options, stock appreciation rights, restricted stock awards, restricted stock units and other stock awards. As of March 31, 2024 and December 31, 2023, the common stock reserved for issuance under the Plan was 2,420,895 shares. As of March 31, 2024 and December 31, 2023, 6 shares of common stock were available for future grants. For the three months ended March 31, 2024 and the period from inception to December 31, 2023, no other awards were granted other than the founders' shares.

Options under the Plan may be granted for periods of up to 10 years and at prices no less than 100.0% of the estimated fair value of the shares on the date of grant as determined by the Company's Board of Directors, provided, however, that the exercise price of an incentive stock option granted to a 10.0% stockholder shall not be less than 110.0% of the estimated fair value of the shares on the date of grant. Options to be granted under the Plan will generally vest monthly over four years with or without one-year cliff vesting, and certain option grants may provide for accelerated vesting if there is a change in control, as defined in the individual award agreements. For the three months ended March 31, 2024 and the period from inception to December 31, 2023, no options were granted.

13. Subsequent Events

The Company evaluated subsequent events through May 16, 2024, the date that the unaudited interim condensed financial statements were available for issuance.

SAFE Amendments

On April 10, 2024, prior to the execution of the Acquisition Agreement (as described below), the Company and the SAFE Holders (as described in Note 10) amended the SAFEs to change the discount factor from 90% to 100%. All other terms of the SAFEs remained unchanged.

Acquisition Agreement

On April 10, 2024, the Company entered into an agreement and plan of merger and reorganization (the "Acquisition Agreement") with Eliem Therapeutics, Inc., a Delaware corporation ("Eliem"), and Tango Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Eliem ("Transitory Subsidiary"). The Acquisition Agreement provides for the acquisition of the Company by Eliem through the merger of Transitory Subsidiary into the Company, with the Company surviving as a wholly owned subsidiary of Eliem ("the Acquisition").

At the effective time of the Acquisition, and without any action on the part of the holders of common stock of the Company, (i) all issued and outstanding shares of the common stock of the Company and (ii) all securities convertible into shares of common stock of the Company will be converted into the right to receive, in the aggregate, a number of shares of Eliem's common stock equal to fifteen and two-fifths percent (15.4%) of the outstanding shares of Eliem's common stock as of immediately following the closing of the Acquisition, calculated on a fully-diluted basis using the treasury stock method (the "Aggregate Consideration"). The Acquisition is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

The Acquisition Agreement contains certain termination rights of each of the Company and Eliem, including if Eliem's stockholders fail to adopt and approve the issuance of the Aggregate Consideration. Upon termination of the Acquisition Agreement under specified circumstances, Eliem may be required to pay the Company a termination fee of $1.0 million and reimburse the Company's transaction-related expenses up to a maximum of $0.5 million.

In addition, pursuant to the Acquisition Agreement, the SAFE Holders will enter into SAFE cancellation agreements prior to the closing of the Acquisition with the Company, and in accordance with the Acquisition

Agreement, immediately prior to the closing of the Acquisition, each SAFE that is then outstanding shall, without any action on the part of Eliem, the Company, any SAFE Holder or any other person, terminate and be canceled, and be converted into the right to receive the applicable portion of the Aggregate Consideration as set forth in accordance with the Acquisition Agreement.

Bridge Loan

On May 14, 2024, the Company entered into a Senior Secured Promissory Note (the "Note") with Eliem pursuant to which Eliem will make short-term loans (the "Loan" or "Loans") to Tenet in an aggregate principal amount of up to $15.0 million. On or about the date of execution of the Note, Eliem made an initial Loan to the Company of $5.0 million to provide the Company with sufficient cash to fund its operations prior to the consummation of the Acquisition. The Company's ability to borrow the remaining $10.0 million under the Note is subject to certain conditions and restrictions on use.

The Loans will bear simple interest at a fixed rate per annum of 6%. All outstanding Loans, together with accrued interest, will become due and payable upon the earlier of (i) 12 months from the date of issuance the Note, (ii) the occurrence of specified corporate transactions, or (iii) the Company's receipt of at least $15.0 million in gross proceeds from the closing of a bona fide equity and/or debt financing.

Under the Note, the Company granted Eliem a continuing, first-priority perfected security interest in all of the Company's present and future assets, properties and rights, whether tangible or intangible, including, without limitation, the intellectual property of the Company. The Note contains certain customary representations and warranties and certain customary events of default.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On April 10, 2024, Eliem Therapeutics, Inc. ("**Eliem**") entered into an Agreement and Plan of Merger and Reorganization (the "**Acquisition Agreement**") by and among Eliem, Tango Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Eliem ("**Transitory Subsidiary**"), Tenet Medicines, Inc., a Delaware corporation ("**Tenet**"), and, solely in his capacity as company equityholder representative, Stephen Thomas. The Acquisition Agreement provides for the acquisition of Tenet by Eliem through the merger of Transitory Subsidiary into Tenet, with Tenet surviving as a wholly owned subsidiary of Eliem (the "**Acquisition**"). Tenet is a privately held development stage biotechnology company focused on advancing TNT119, an anti-CD19 antibody designed for broad range of autoimmune disorders, including systemic lupus erythematosus, immune thrombocytopenia and membranous nephropathy.

At the effective time of the Acquisition, by virtue of the Acquisition and without any action on the part of the holders of common stock of Tenet, (i) all issued and outstanding shares of common stock of Tenet and (ii) all securities convertible into shares of common stock of Tenet will be converted into the right to receive, in the aggregate, a number of shares of Eliem common stock (rounded to the nearest whole share) equal to fifteen and two-fifths percent (15.4%) of the outstanding shares of Eliem common stock (the "**Exchange Ratio**") as of immediately following the closing of the Acquisition (and for the avoidance of doubt, before giving effect to the issuance of any securities pursuant to the Private Placement (as defined below)), calculated on a fully-diluted basis using the treasury stock method (including, for clarity, calculated by disregarding any out-of-the-money outstanding stock options of Eliem).

Concurrently with the execution of the Acquisition Agreement, Eliem entered into a securities purchase agreement (the "**Securities Purchase Agreement**") with several accredited institutional investors, pursuant to which Eliem agreed to issue and sell to such investors in a private placement an aggregate of 31,238,282 shares of Eliem's common stock at a price of $3.84 per share (the "**Private Placement**"). Eliem expects to receive aggregate gross proceeds from the Private Placement of $120.0 million, before deducting estimated transaction costs of $0.3 million payable by Eliem.

In connection with the Acquisition, Tenet's key service providers (four individuals) have negotiated post-closing compensation and consulting arrangements that are contingent on the closing of the Acquisition and subject to the approval of the Eliem board of directors. As part of these post-closing compensation and consulting arrangements, the key service providers will be entitled to receive total transaction bonuses of $0.6 million to be paid at the closing of the Acquisition with no future service requirement. Subject to and contingent upon the closing of the Acquisition and the approval of the Eliem board of directors, the key service providers will also be granted a total of 803,000 restricted stock units ("**RSUs**"), each of which will entitle the recipient to receive one share of Eliem common stock upon vesting. Of these RSUs, 401,500 are expected to vest quarterly over a one-year period, subject to service requirements in the post-closing period ("**Service-Based RSUs**"). The remaining 401,500 RSUs are expected to vest subject to the satisfaction of performance conditions, including the achievement of specific operational milestones before September 30, 2025 ("**Performance-Based RSUs**").

On May 14, 2024, Eliem and Tenet entered into a Senior Secured Promissory Note (the **"Note**") providing for Eliem to make short-term loans (the "**Loan**" or "**Loans")** to Tenet up to an aggregate principal amount of $15.0 million. On or about the date of execution of the Note, Eliem made an initial Loan to Tenet of $5.0 million. Tenet requested the Loan in order to provide it with sufficient cash to fund its operations prior to the consummation of the Acquisition. Tenet's ability to borrow the remaining $10.0 million under the Note is subject to certain conditions and restrictions on use.

The Loans will bear simple interest at a fixed rate per annum of 6%. All outstanding Loans, together with accrued interest, will become due and payable upon the earlier of (i) 12 months from the date of issuance the Note, (ii) the occurrence of specified corporate transactions, or (iii) Tenet's receipt of at least $15.0 in gross proceeds from the closing of a bona fide equity and/or debt financing.

Under the Note, Tenet granted Eliem a continuing, first-priority perfected security interest in all of Tenet's present and future assets, properties and rights, whether tangible or intangible, including, without limitation, the intellectual property of Tenet. The Note contains certain customary representations and warranties and certain customary events of default.

Unaudited Pro Forma Condensed Combined Financial Statements

The unaudited pro forma condensed combined financial statements have been prepared for informational purposes only and are not necessarily indicative of what Eliem's condensed financial position or results of operations actually would have been had the Acquisition been consummated on or prior to March 31, 2024. In addition, the unaudited pro forma condensed combined financial statements do not purport to project the future financial position or operating results of Eliem.

The unaudited pro forma condensed combined financial information is based on the assumptions and adjustments made by Eliem management that are described in the accompanying notes. Accordingly, the pro forma adjustments are preliminary, subject to further revision as additional information becomes available and additional analyses are performed and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, regulatory matters, operating efficiencies or other savings or expenses that may be associated with the integration of Tenet into Eliem, does not purport to represent the actual results of operations that Eliem and Tenet would have achieved had the Acquisition closed during the periods presented and is not intended to project the future results of operations that the combined company ("**Post-Closing Eliem**") may achieve after the Acquisition.

During preparation of the unaudited pro forma condensed combined financial information, Eliem management performed a preliminary analysis of Tenet's accounting policies and is not aware of any material differences between Tenet's accounting policies and Eliem's accounting policies, and accordingly, this unaudited pro forma condensed combined financial information assumes no material differences in accounting policies. Following the closing of the Acquisition, management of Post-Closing Eliem will conduct a final review of Tenet's accounting policies in order to determine if differences in accounting policies require adjustment or reclassification of Tenet's results of operations or adjustment or reclassification of Tenet's assets or liabilities to conform to Eliem's accounting policies and classifications. As a result of this review, Post-Closing Eliem management may identify differences that, when conformed, could differ, perhaps materially, from these unaudited pro forma condensed combined financial statements.

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X under the Securities Act of 1933, as amended ("**Securities Act**"), and combines the historical consolidated financial position and consolidated results of operations of Eliem and the financial position and results of operations of Tenet, adjusted to give effect to the following transactions:

- Acquisition of Tenet by Eliem as further described herein;
- Issuance of Eliem common stock pursuant to the Private Placement;
- Loan from Eliem to Tenet provided under the Note;
- Post-closing compensation and consulting arrangements entered into with key service providers of Tenet that provide for the payment of transaction bonuses and granting of RSUs upon closing of the Acquisition; and
- The pro forma effects of certain assumptions and adjustments described in "Notes to the Unaudited Pro Forma Condensed Combined Financial Information" below.

The following unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2024 and for the year ended December 31, 2023, combines the historical statements of operations of

Eliem and Tenet, giving effect to the Acquisition, the Private Placement, and related transactions as if they had occurred on January 1, 2023. The unaudited pro forma condensed combined balance sheet data assumes that the Acquisition, the Private Placement, and related transactions took place on March 31, 2024 and combines the historical balance sheets of Eliem and Tenet as of such date.

The following unaudited pro forma condensed combined financial information, including the notes thereto, should be read in conjunction with the separate historical financial statements of Eliem and Tenet and their respective management's discussion and analysis of financial condition and results of operations incorporated by reference or included elsewhere in this proxy statement.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2024
(in thousands)

	Eliem Therapeutics, Inc. Historical	Tenet Medicines, Inc. Historical	Transaction Accounting Adjustments		Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 105,031	$ 1,726	$ (4,930)	**A**	$ 215,982
			$ (5,000)	**A**	
			119,705	**C**	
			(550)	**D**	
Prepaid expenses and other current assets	4,192	216	(952)	**A**	3,456
Total current assets	$ 109,223	$ 1,942	$ 108,273		$ 219,438
Operating lease right-of-use assets	111	—	—		111
Total assets	$ 109,334	$ 1,942	$ 108,273		$ 219,549
Liabilities and stockholders' equity					
Current liabilities:					
Accounts payable	$ 85	$ 613			$ 698
Accrued expenses and other current liabilities	2,640	390	(952)	**A**	2,078
Accrued expenses, related party	—	391	—		391
Operating lease liabilities	225	—	—		225
Simple agreements for future equity liability	—	10,066	(10,066)	**B**	—
Total current liabilities	$ 2,950	$ 11,460	$ (11,018)		$ 3,392
Total liabilities	$ 2,950	$ 11,460	$ (11,018)		$ 3,392
Stockholders' equity (deficit):					
Common stock	3	2	(2)	**B**	7
			1	**A, B**	
			3	**C**	
Additional paid-in capital	264,057	—	46,479	**A, B**	430,238
			119,702	**C**	
Accumulated deficit	(157,676)	(9,520)	(55,862)	**A**	(214,088)
			9,520	**B**	
			(550)	**D**	
Total stockholders' equity (deficit)	$ 106,384	$ (9,518)	$ 119,291		$ 216,157
Total liabilities and stockholders' equity (deficit)	**$ 109,334**	**$ 1,942**	**$ 108,273**		**$ 219,549**

See accompanying notes to the unaudited pro forma condensed combined financial statements.

Unaudited Pro Forma Condensed Combined Statement of Operations
For Three Months Ended March 31, 2024
(In thousands, except share and per share data)

	Eliem Therapeutics, Inc. Historical	Tenet Medicines, Inc. Historical	Transaction Accounting Adjustments		Pro Forma Combined
Operating expenses					
In-process research and development	—	7,003	(7,003)	**AA**	—
Research and development	1,091	917	—		2,008
Research and development, related party	—	261	—		261
General and administrative	1,914	793	—		2,707
General and administrative, related party	—	146	—		146
Total operating expenses	$ 3,005	$ 9,120	$ (7,003)		$ 5,122
Loss from operations	$ (3,005)	$ (9,120)	$ 7,003		$ (5,122)
Other income (expense):					
Foreign currency loss	(33)	(10)	—		(43)
Interest income, net	1,341	—	—		1,341
Change in fair value of simple agreements for future equity liability	—	166	(166)	**BB**	—
Total other income (expense)	$ 1,308	$ 156	$ (166)		$ 1,298
Net loss	$ (1,697)	$ (8,964)	$ 6,837		$ (3,824)
Net loss per share, basic and diluted	$ (0.06)				$ (0.06)
Weighted-average number of shares used to compute net loss per share, basic and diluted	27,638,528		37,133,876	**CC**	64,772,404

See accompanying notes to the unaudited pro forma condensed combined financial statements.

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2023
(In thousands, except share and per share data)

	For the Year Ended December 31, 2023 Eliem Therapeutics, Inc. Historical	For the period November 8, 2023 to December 31, 2023 Tenet Medicines, Inc. Historical	Transaction Accounting Adjustments		Pro Forma Combined
Operating expenses					
Acquired in-process research and development, related party	—	—	55,862	**DD**	55,862
Research and development	15,411	35	849	**GG**	16,295
Research and development, related party		46	—		46
General and administrative	24,864	215	550	**FF**	25,629
			2,548	**GG**	2,548
General and administrative, related party	—	28	—		28
Total operating expenses	$ 40,275	$ 324	$ 59,809		$ 100,408
Loss from operations	$ (40,275)	$ (324)	$ (59,809)		$ (100,408)
Other income (expense):					
Foreign currency gain	536	—	—		536
Interest income, net	4,620	—	—		4,620
Change in fair value of simple agreements for future equity liability	—	(232)	232	**EE**	—
Total other income (expense)	$ 5,156	$ (232)	$ 232		$ 5,156
Net loss	$ (35,119)	$ (556)	$ (59,577)		$ (95,252)
Net loss per share, basic and diluted	$ (1.30)				$ (1.49)
Weighted-average number of shares used to compute net loss per share, basic and diluted	26,987,122		36,883,901	**HH**	63,871,023

See accompanying notes to the unaudited pro forma condensed combined financial statements.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared on the basis that the Acquisition is accounted for as an asset acquisition of Tenet by Eliem under accounting principles generally accepted in the United States. In accordance with the Financial Accounting Standards Board's Accounting Standards Codification ("**ASC**") Topic 805, *Business Combinations*, Eliem first evaluated the initial screen test to determine if substantially all of the fair value of the gross assets acquired of Tenet is concentrated in a single asset or a group of similar assets. Eliem concluded that substantially all of the fair value of the gross assets being acquired of Tenet is concentrated in the TNT119 ("**IPR&D**") asset. Accordingly, Eliem will account for the transaction as an asset acquisition. Under the asset acquisition method of accounting, consideration is allocated to the assets acquired and liabilities assumed on a relative fair value basis, no goodwill is recorded and all direct acquisition costs are included in the total consideration transferred. Any acquired IPR&D with no future alternative use will be expensed at the closing of the Acquisition.

The pro forma adjustments reflecting the consummation of the Acquisition, Private Placement, and related transactions are based on certain currently available information, assumptions and methodologies that Eliem believes are reasonable under the circumstances. The information, assumptions and methodologies used to determine the pro forma adjustments, which are described in these notes, may change as additional information becomes available and is evaluated by Eliem. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible that the difference may be material. Eliem believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the Acquisition, Private Placement, and related transactions based on information available to Eliem management as of the date of this proxy statement and that the pro forma adjustments give appropriate effect to those assumptions and methodologies and are properly applied in the unaudited pro forma condensed combined financial information.

2. Estimated Consideration and Preliminary Purchase Price Allocation

Estimated Consideration

The preliminary fair value of the total consideration is approximately $56.4 million and is comprised of the following components (in thousands):

Equity consideration	$46,480
Settlement of pre-existing loan related to the Note	5,000
Estimated direct transaction costs	4,930
Total consideration	**$56,410**

The preliminary fair value of the consideration transferred was calculated based on the following assumptions:

- *Equity consideration (the "**Equity Consideration**"):* Issuance of 5,494,094 shares of Eliem common stock expected to be issued to the pre-Acquisition equityholders of Tenet, which is based on the Exchange Ratio and the number of shares of Eliem common stock outstanding on a fully-diluted basis calculated using the treasury stock method on May 10, 2024 which was 30,181,839 shares and (ii) the closing stock price of Eliem common stock on the Nasdaq Global Market on May 10, 2024, which was $8.46 per share.
- *Settlement of pre-existing loan:* Represents $5.0 million of additional consideration for the settlement of the Loan that Eliem provided to Tenet in May 2024. The amount is based on the expected outstanding balance to be settled upon the closing of the Acquisition, and the loan receivable and corresponding payable are not reflected in the unaudited pro forma financial statements.

- *Estimated direct transaction costs*: Represents the estimated transaction costs, primarily legal and advisory services, to be incurred by Eliem through the closing of the Acquisition.

The estimated fair value of the consideration to be transferred will fluctuate based on changes to the Eliem common stock price per share. The following tables provides a summary of the impact to changes in the price of Eliem common stock on the estimated shares to be issued to pre-Acquisition equityholders of Tenet (based on the Exchange Ratio), the estimated fair value of stock consideration, and the estimated fair value of total consideration:

Estimated Consideration
(in thousands, except share and per share amounts)

Estimated Share Price	Estimated Shares(1)	Estimated Stock Consideration	Estimated Total Consideration(2)
$2.00	5,361,596	$ 10,723	$ 20,653
$4.00	5,401,119	$ 21,604	$ 31,534
$6.00	5,440,829	$ 32,645	$ 42,575
$8.46	5,494,094	$ 46,480	$ 56,410
$10.00	5,540,545	$ 55,405	$ 65,335
$12.00	5,583,519	$ 67,002	$ 76,932
$14.00	5,615,809	$ 78,621	$ 88,551

(1) The number of estimated shares to be issued will fluctuate based on changes in the price of Eliem common stock as the Exchange Ratio is applied to Eliem common stock outstanding on a fully diluted basis calculated using the treasury stock method.
(2) Total consideration is inclusive of the estimated stock consideration calculated in the table above, settlement of the loan for $5.0 million, and the estimated direct transaction costs of $4.9 million.

Preliminary Purchase Price Allocation

Fair value of the net assets acquired based upon the net assets as of March 31, 2024, are as follows (in thousands):

Net Assets acquired:

Assets acquired	
In-process research and development	$55,862
Cash and cash equivalents	1,726
Prepaid expenses and other current assets	216
Total assets acquired	$57,804
Liabilities assumed	
Accounts payable	613
Accrued expenses and other current liabilities	390
Accrued expenses, related party	391
Total liabilities assumed	$ 1,394
Net Assets Acquired	**$56,410**

The above allocation of the purchase price is preliminary, and the purchase price allocated to IPR&D will fluctuate until the closing date of the Acquisition. Any changes in the total consideration based on fluctuations in the number of shares of Eliem common stock outstanding or the trading price of Eliem common stock will be allocated to IPR&D based on the nature of the assets and liabilities acquired.

3. Transaction Accounting Adjustments

Adjustments included in the column under the heading "Transaction Accounting Adjustments" are primarily based on information contained in the Acquisition Agreement, the Securities Purchase Agreement, and other related agreements.

Pro forma adjustments included in the unaudited pro forma condensed combined balance sheets as of March 31, 2024:

(A) Represents the estimated asset acquisition purchase consideration of $56.4 million that is comprised of (i) $4.9 million of estimated direct transaction costs to be incurred through the closing date of the Acquisition, (ii) $5.0 million related to the Loan provided to Tenet prior to the closing of the Acquisition pursuant to the Note that was effectively settled upon the closing of the Acquisition (the loan receivable and payable have not been reflected in the unaudited pro forma condensed combined financial statements) and (iii) $46.5 million of Equity Consideration. The consideration allocated to the IPR&D of $55.9 million was reflected in accumulated deficit. As of March 31, 2024, $1.0 million of the $4.9 million of estimated transaction costs were included in prepaid and other current assets and accrued expenses on Eliem's interim condensed consolidated financial statements and were eliminated as part of this adjustment. The Equity Consideration was estimated using the closing price of Eliem common stock on the Nasdaq Global Market on May 10, 2024 of $8.46 and an estimate of 5,494,094 shares to be issued to the pre-Acquisition equityholders of Tenet at the closing of the Acquisition.

(B) Represents the elimination of (i) Tenet's historical equity balances that includes common stock and accumulated deficit and (ii) the cancellation and conversion of Tenet's simple agreements for future equity ("**SAFEs**") liability into the right to receive the applicable portion of 5,494,094 shares of Eliem common stock expected to be issued as Equity Consideration pursuant to the SAFE Cancellation Agreements.

(C) Represents the net proceeds of $119.7 million from the closing of the Private Placement. At the closing of the Private Placement, 31,238,282 shares of Eliem common stock will be issued to investors for gross proceeds of $120.0 million and associated transaction costs of $0.3 million.

(D) Represents the payment of $0.6 million of transaction bonuses expected to be paid to the four key service providers of Tenet that have negotiated post-closing compensation and consulting arrangements with Eliem. These transaction bonuses were negotiated in connection with the Acquisition for the benefit of Post-Closing Eliem and therefore were not deemed to be part of the consideration transferred and immediately expensed by Eliem.

Based on the above described adjustments, the pro forma combined additional paid-in capital balance is $430.2 million. This is inclusive of the historical Eliem balance of $264.1 million, the estimated share consideration issued of $46.5 million, and net proceeds from the Private Placement of $119.7 million.

Based on the above described adjustments, the pro forma combined accumulated deficit balance is $214.1 million. This is inclusive of the historical Eliem balance of $157.7 million, the IPR&D expense of $55.9 million, and the payment of transaction bonuses of $0.6 million.

Pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for three months ended March 31, 2024:

(AA) Represents the reversal of the acquired Tenet IPR&D asset expense recognized as part of the Tenet asset acquisition of TNT119 from Acelyrin, Inc. that occurred during the first quarter of 2024. TNT119 is the same IPR&D asset that is being acquired by Eliem in the Acquisition.

(BB) Reflects the elimination of the change in fair value of Tenet's SAFE liabilities that will be cancelled immediately prior to the closing of the Acquisition.

(CC) The weighted average shares outstanding for the period have been adjusted to give effect to the issuance of Eliem common stock in connection with the Acquisition and the Private Placement as of January 1, 2023, which includes (i) 5,494,094 shares expected to be issued to the pre-Acquisition equityholders of Tenet, (ii) 401,500 shares issuable upon the vesting of service based RSU awards that will be granted in connection with the closing of the Acquisition and (iii) 31,238,282 shares expected to be issued in the Private Placement. As Post-Closing Eliem is in a net loss position, any adjustment for potentially dilutive shares would be anti-dilutive, and as such basic and diluted loss per share are the same.

Pro forma adjustments included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2023:

(DD) Represents the immediate expensing of the acquired Tenet IPR&D asset in the Acquisition.

(EE) Reflects the elimination of the change in fair value of Tenet's SAFE liabilities that will be cancelled immediately prior to the closing of the Acquisition.

(FF) Represents transaction bonuses of $0.6 million expected to be paid to the four key service providers of Tenet upon the closing of the Acquisition. These transaction bonuses were negotiated in connection with the Acquisition for the benefit of Post-Closing Eliem and therefore were not deemed to be part of the consideration transferred and immediately expensed by Eliem.

(GG) Represents stock-based compensation expense related to Service-Based RSUs expected to be granted to key service providers of Tenet upon the closing of the Acquisition and to vest quarterly over the one-year period after the closing of the Acquisition. The 401,500 Service-Based RSUs expected to be granted at the closing of the Acquisition are assumed to be fully vested during the subsequent one-year post-combination period. No pro forma adjustment for the 401,500 Performance-Based RSUs that are expected to be granted to key service providers at the closing of the Acquisition has been included because it was concluded that the vesting conditions are not probable of being achieved.

(HH) The weighted average shares outstanding for the period have been adjusted to give effect to the issuance of Eliem common stock in connection with the Acquisition and the Private Placement as of January 1, 2023, which includes (i) 5,494,094 shares expected to be issued to the pre-Acquisition equityholders of Tenet, (ii) 151,525 shares issuable upon the vesting of the Service-Based RSUs that will be granted in connection with the closing of the Acquisition and (iii) 31,238,282 shares expected to be issued in the Private Placement. As Post-Closing Eliem is in a net loss position, any adjustment for potentially dilutive shares would be anti-dilutive, and as such basic and diluted loss per share are the same.

Given Eliem's and Tenet's history of net losses and full valuation allowances, Eliem management estimated an annual effective income tax rate of 0.0%. Therefore, the pro forma adjustments to the unaudited pro forma condensed combined statements of operations resulted in no additional income tax adjustments.

4. Net Loss per Share

For the unaudited pro forma condensed combined statements of operations, the Acquisition, the Private Placement, and related transactions are being reflected as if such transactions had occurred as of January 1, 2023. The weighted average shares outstanding for the pro forma basic and diluted net loss per share assumes that the shares issuable relating to the Acquisition, the Private Placement, and related transactions have been outstanding for the entire year ended December 31, 2023.

The unaudited pro forma condensed combined financial information has been prepared for three months ended March 31, 2024 and for the year ended December 31, 2023 (in thousands, except share and per share amounts):

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Pro forma net loss	$ (3,824)	$ (95,252)
Weighted-average number of shares outstanding used to compute pro forma net loss per share, basic and diluted	64,772,404	63,871,023
Pro forma net loss per share, basic and diluted	$ (0.06)	$ (1.49)

Weighted-average number of shares outstanding used to compute pro forma net loss per share, basic and diluted		
Eliem historical weighted-average shares outstanding	27,638,528	26,987,122
Shares issued in connection with the Private Placement	31,238,282	31,238,282
Shares issued in connection with the Acquisition	5,494,094	5,494,094
Service-Based RSUs expected to be granted upon closing of the Acquisition[(1)]	401,500	151,525
Total weighted-average shares outstanding used to compute pro forma net loss, basic and diluted	64,772,404	63,871,023

(1) 401,500 Service-Based RSUs are expected to vest (quarterly) during the one-year post-closing period. These amounts represent the weighted-average shares outstanding based on the RSUs that are expected to vest during the respective periods.

The following outstanding shares of Eliem common stock equivalents were excluded from the computation of pro forma diluted net loss per share because including them would have had an anti-dilutive effect for the three months ended March 31, 2024:

Common stock options	4,261,527
Unvested restricted stock awards and units	188,396
Performance-Based RSUs expected to be granted upon closing of the Acquisition	401,500
Total	**4,851,423**

The following outstanding shares of Eliem common stock equivalents were excluded from the computation of pro forma diluted net loss per share because including them would have had an anti-dilutive effect for the year ended December 31, 2023:

Common stock options	4,586,476
Unvested restricted stock awards and units	149,975
Performance-Based RSUs expected to be granted upon closing of the Acquisition	401,500
Total	**5,137,951**