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DELTA REPORT

10-K

ALIGOS THERAPEUTICS, INC.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	3666
CHANGES	307
DELETIONS	1187
ADDITIONS	2172

REFINITIV

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2022 2023

OR

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

Commission File Number: 001-39617

Aligos Therapeutics, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware	82-4724808
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
One Corporate Drive, 2nd Floor	
South San Francisco, California	94080
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (800) 466-6059

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	ALGS	The Nasdaq Stock Market LLC (Nasdaq Global Select Capital Market)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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

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

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

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

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

Indicate by check mark whether the Registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its
audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by checkmark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recover period pursuant to Section 240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of common stock held by non-affiliates of the Registrant was approximately $35.2 20.2 million as of June 30, 2022 June 30, 2023, the last business day of the Registrant's most recently completed second fiscal quarter, based on (i) 42,809,339 43,502,582 shares of common stock, $0.0001 par value per share, outstanding, comprised of 39,717,001 40,410,244 shares of voting common stock, $0.0001 par value per share and 3,092,338 shares of non-voting common stock, $0.0001 par value per share, and (ii) the closing sales price for the Registrant’s common stock on the Nasdaq Global Select Market on such date.

As of March 6, 2023 March 8, 2024, the Registrant had 42,940,089 75,668,521 shares of common stock, $0.0001 par value per share, outstanding, comprised of 39,847,751 72,576,183 shares of voting common stock, $0.0001 par value per share and 3,092,338 shares of non-voting common stock, $0.0001 par value per share. This number does not include 81,054,686 shares of common stock issuable upon the exercise of pre-funded warrants outstanding as of March 4, 2024 (which are immediately exercisable at an exercise price of $0.0001 per share of common stock, subject to beneficial ownership limitations) sold in the Registrant's private placement on October 23, 2023. See Note 8—Common Warrants and Pre- Funded Warrants to the Registrant's audited financial statements.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement relating to the 2023 2024 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year ended December 31, 2022 December 31, 2023, are incorporated by reference into Part III of this Report.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements concerning our business, operations and financial performance and condition, as well as our plans, objectives and expectations for our business, operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that are in some cases beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the scope, progress, results and costs of developing our drug candidates or any other future drug candidates, and conducting nonclinical studies and clinical trials, including our ALG-055009, ALG-000184, ALG-000184, ALG-097558 and ALG-125755 ALG-125755 clinical trials;
- the scope, progress, results and costs related to the research and development of our pipeline;
- the timing of, and costs involved in, obtaining and maintaining regulatory approval for any of our current or future dru candidates, and any related restrictions or limitations;
- the impact of developments related to COVID-19 on our business and operations, including clinical trials, manufactu suppliers, collaborators, use of contract research organizations and employees;
- our expectations regarding the potential market size and size of the potential patient populations for ALG-055009, ALG-055009, ALG-000184, ALG-097558 and ALG-125755, our other drug candidates and any future drug candidates, if approved for commercial use;
- our ability to maintain existing, and establish new, collaborations, licensing or other arrangements and the financial terms of any such agreements;
- our commercialization, marketing and manufacturing capabilities and expectations;
- the rate and degree of market acceptance of our drug candidates, as well as the pricing and reimbursement of our d candidates, if approved;
- the implementation of our business model and strategic plans for our business, drug candidates and technology, including additional indications for which we may pursue;
- any lawsuits related to our drug candidates or commenced against us, including the costs associated with our curren litigation with Janssen Biopharma, LLC (Janssen);
- the scope of protection we are able to establish and maintain for intellectual property rights covering our drug candidates, including the projected term of patent protection;
- any lawsuits related to our drug candidates or commenced against us;
- estimates of our expenses, future revenue, capital requirements, our needs for additional financing and our ability to obtain additional capital;
- developments and projections relating to our competitors and our industry, including competing therapies and procedures;
- regulatory and legal developments in the United States and foreign countries;
- the performance of our third-party suppliers and manufacturers;
- our ability to attract and retain key management, scientific and medical personnel;
- our expectations regarding the period during which we will qualify as an emerging growth company under the Jumps Our Business Startups Act of 2012;
- our expectations regarding our ability to obtain, maintain, enforce and defend our intellectual property protection for

drug candidates; and

- other risks and uncertainties, including those listed under the caption “Risk Factors.”

We have based these forward-looking statements largely on management’s current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management’s beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K and are subject to a number of risks, uncertainties and assumptions described in the section titled “Risk Factors” and elsewhere in this Annual Report on Form 10-K. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein until after we distribute this Annual Report on Form 10-K, whether as a result of any new information, future events or otherwise.

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

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website, Securities and Exchange Commission, or SEC, filings, webcasts, press releases and conference calls. We use these mediums, including our website, to communicate with our stockholders and the public about our company, our products and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website.

Summary of material risks associated with our business

The principal risks and uncertainties affecting our business include the following:

- We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale. We have incurred significant losses since inception. We expect to incur losses for at least the next several years and may never achieve or maintain profitability, which, together with our limited operating history, make difficult to assess our future viability.

- We have never generated revenue from product sales and may never be profitable.
- We will require substantial additional financing to achieve our goals, which may not be available on acceptable terms at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.
- We are early in our development efforts, and our business is dependent on the successful development of our currer and future drug candidates. If we are unable to advance our current or future drug candidates through clinical trials, obtain marketing approval and ultimately commercialize any drug candidates we develop, or experience significant delays in doing so, our business will be materially harmed.
- If we fail to comply with the continued listing requirements of the Nasdaq Stock Market LLC (Nasdaq), our common stock may be delisted and the price of our common stock and our ability to access the capital markets could be negatively impacted.
- Our current or future drug candidates may cause undesirable side effects or have other properties when used alone in combination with other approved products or investigational new drugs that could delay or halt their clinical development, prevent their marketing approval, limit their commercial potential or result in significant negative consequences.
- We depend on collaborations with third parties for the development of certain of our potential drug candidates, and w may depend on additional collaborations in the future for the development and commercialization of these or other potential candidates. If our collaborations are not successful, we may not be able to capitalize on the market potentia these drug candidates.
- We intend to develop our current drug candidates, and expect to develop other future drug candidates, in combinatic with other therapies, which exposes us to additional risks.
- We face significant competition, and if our competitors develop and market products that are more effective, safer or less expensive than the drug candidates we develop, our commercial opportunities will be negatively impacted.

- If we and our collaborators are unable to obtain, maintain, protect and enforce sufficient patent and other intellectual property protection for our drug candidates and technology, our competitors could develop and commercialize produ

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and technology similar or identical to ours, and we may not be able to compete effectively in our market or successfully commercialize any drug candidates we may develop.

- Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating the intellectual property rights, the outcome of which would be uncertain and could negatively impact the success of our business.
- We have entered into licensing and collaboration agreements with third parties. If we fail to comply with our obligatio in the agreements under which we license intellectual property rights to or from third parties, or these agreements ar terminated, or we otherwise experience disruptions to our business relationships with our licensors or licensees, our competitive position, business, financial condition, results of operations and prospects could be harmed.
- We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining hi qualified personnel, we may not be able to successfully implement our business strategy.

The summary risk factors described above should be read together with the text of the full risk factors below in the section entitled “Risk Factors” and the other information set forth in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not precisely known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations, and future growth prospects.

PART I

Item 1. Business.

Overview

We are a clinical-stage biopharmaceutical company focused on developing novel therapeutics to address unmet medical needs in liver diseases and viral infections, including in the areas of non-alcoholic metabolic dysfunction associated steatohepatitis (NASH) (MASH), chronic hepatitis B (CHB) and coronavirus (e.g., SARS-CoV-2 and related infections) and chronic hepatitis B (CHB). We utilize our proprietary small molecule and oligonucleotide platforms to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes.

In February 2023, we announced a strategic reprioritization of our portfolio. Going forward, we will emphasize our clinical NASH and COVID-19 programs, and continue to support our collaboration agreements, including the agreement with Merck & Co. to develop an oligonucleotide candidate to address NASH. With respect to CHB, we plan to complete our ongoing 48-week cohorts and single ascending dose cohorts for our capsid assembly modulator and small interfering RNA programs, respectively.

Our primary area of focus is NASH, MASH, a complex, chronic liver disease where combination regimens may prove beneficial. Our most advanced drug candidate for NASH MASH is ALG-055009, a small molecule thyroid hormone receptor beta (THR-ß) agonist. This drug candidate is being evaluated recently completed evaluation in a Phase 1 study in healthy volunteers (HVs) (oral single ascending doses (SAD)) and in subjects with hyperlipidemia (14 oral daily doses). Preliminary Clinical data after single doses up to 4 mg and multiple doses up to 1 mg have previously been reported at the European Association for the Study of the Liver conference (EASL 2022) and the 2022 American Association for the Study of Liver Diseases meeting (AASLD 2022), respectively. At these conferences, data were presented showed that showed ALG-055009 was well tolerated, had dose proportional pharmacokinetics (PK) and with low intersubject variability, and

demonstrated expected thyromimetic effects (i.e., generally dose proportional increases in sex hormone binding globulin and decreases in various atherogenic lipids and thyroid hormones). We In this same study, we have also evaluated relative bioavailability where we have shown the soft gelatin capsules to be used on Phase 2 studies, delivers similar exposures compared to the solution used in Phase 1 studies; we observed low intersubject PK variability and there was no evidence of a meaningful food effect. Currently, we are currently taking the necessary steps to advance ALG-055009 into initiating a Phase 2 2a proof of concept study. These steps include: 1) conducting study (HERALD) under an amendment to an open investigational new drug application (IND). The study's design is a relative bioavailability cohort 12-week randomized, placebo-controlled trial evaluating 4 doses of ALG-055009 vs. placebo in approximately 100 subjects with presumed liver fibrosis stage 1-3 (F1-F3) MASH. In addition to collecting safety and PK data, this study is also designed to assess multiple efficacy biomarkers, which include MRI-PDFF and other non-invasive tests previously shown to be impacted by treatment with THR-ß agonists. We anticipate dosing to begin in the Phase 1 study; 2) completing 13-week Good Laboratory Practice (GLP) toxicology studies; second quarter of 2024 and 3) manufacturing Phase 2 drug supply. We anticipate submitting the Phase 2 protocol to the FDA with topline safety and 12 week MRI-PDFF data from this study in the fourth quarter of 2023. 2024. We believe ALG-055009 has the potential to become a best-in-class THR-ß agonist and could play an integral role in future NASH MASH combination regimens based on its favorable pharmacokinetic enhanced potency, beta selectivity, and its PK profile which could result versus other THR-ß drugs in uniform exposures and lead to consistent efficacy and safety in a NASH population. development.

In addition to our small molecule THR-ß program, we are also progressing oligonucleotide projects for NASH, MASH, including in the collaboration with Merck. The programs are currently progressing through preclinical activities.

Our second area of focus seeks to enhance the viral suppression and rate of functional cure for CHB, which often results in life-threatening conditions such as cirrhosis, end-stage liver disease and, the most common form of liver cancer, hepatocellular carcinoma (HCC). To achieve this, we are developing a portfolio of differentiated CHB drug candidates, including a small molecule Capsid Assembly Modulator that results in the production of empty viral capsids (CAM-E) and small molecule inhibitors of the Programmed Cell Death Ligand 1 (PD-1/PD-L1) interaction.

We have completed the initial Phase 1a study in HVs for our CAM-E, ALG-000184, and a Phase 1b dose ranging study evaluating the safety, PK and antiviral activity of 10-300 mg doses of ALG-000184 for 28 days among untreated HBV e-antigen (HBeAg) positive/negative CHB subjects. For these studies, ALG-000184 was found to be well tolerated with a favorable PK profile and demonstrated potentially best-in-class substantial HBV DNA and RNA reductions at all doses tested, as well as HBV surface antigen (HBsAg) reductions in a subset of HBeAg positive subjects receiving 300 mg ALG-000184 (Hou et. al, AASLD 2022). Based on the favorable profile after dosing up to 300 mg ALG-000184 x 28 days, additional Phase 1b cohorts are currently ongoing and evaluating the risk-benefit profile of up to 300 mg doses of ALG-000184 with or without entecavir (ETV) therapy for up to 96 weeks in HBeAg positive/negative CHB subjects. Preliminary data have been presented for several of these cohorts (Hou et al., EASL 2023, Yuen et al., AASLD 2023) and indicate that ALG-000184 dosed for up to 48 weeks has shown to be well tolerated with a favorable PK profile and potentially best-in-class antiviral activity. Specifically, antiviral activity data in subjects dosed with 300 mg ALG-000184 $\pm$ ETV for up to 48 weeks are available in cohorts (Part 4 Cohorts 2 and B) of HBeAg positive subjects with normal/elevated baseline ALT. In these cohorts, we observed mean DNA reductions of 6.8 $\log_{10}$ IU/mL. Notably, subjects in these cohorts who initially received ETV x 12 weeks had more modest reductions in HBV DNA as compared to subjects receiving ALG-000184 + ETV over

the same time period. In addition, subjects initially receiving ETV only then experienced further reductions in HBV DNA levels once they started receiving the combination of ETV and ALG-000184, and their HBV DNA levels also reached levels exceeding 6 log_{10} IU/mL, indicating an additive antiviral effect of ALG-000184 with ETV. Further, as of February 28, 2024, subjects receiving 300 mg ALG-000184 monotherapy had similar DNA reductions as subjects receiving 300 mg ALG-000184 ± ETV and no subject has experienced viral breakthroughs. This indicates ETV is not meaningfully contributing to observed antiviral activity and there is no evidence of emergence of resistance after dosing with ALG-000184 monotherapy for up to 48 weeks, the last time point studied to date. We have also observed in subjects dosed with either 100 or 300 mg of ALG-000184 ± ETV that mean blood levels of all the three major viral antigens (HBsAg, HBeAg, and HBV core-related antigen (HBcrAg)) all declined by at least 1.2 log_{10} units and these declines were dose related. Maximum individual declines of these antigens ranged from 2.0-2.5 log_{10} units over this time period. By comparison, no meaningful change in any of these antigen levels was observed in subjects dosed with ETV alone. Dosing of HBeAg positive/negative subjects with ALG-000184 ± ETV in ongoing cohorts will continue throughout 2024 and interim safety, PK, and antiviral activity data will be presented at scientific conferences throughout the year. We believe that our CAM-E, ALG-000184, can lead to greater rates of viral suppression and, in combination with other mechanisms of action such as those in our CHB portfolio, also may lead to higher rates of functional cure.

For our siRNA drug candidate targeting HBsAg production, ALG-125755, we conducted a Phase 1 study evaluating single doses ranging from 20-200 mg and 50-320 mg in HVs and virologically suppressed HBeAg negative CHB subjects, respectively. In this study, we found that these single doses were well tolerated with a favorable PK profile. With respect to antiviral activity, available data indicated evidence of HBsAg lowering at all 3 dose levels evaluated. We plan to seek additional external funding to further advance this drug candidate in clinical development.

We are also exploring ways to boost immune responses via small molecule inhibitors of the Programmed Cell Death Ligand 1 (PD-L1) transmembrane protein and its interaction with Programmed Cell Death Protein 1 (PD-1). We have rationally designed these T cell activating drug candidates to partition preferentially to the liver and thereby potentially mitigate systemic toxicity in an effort to develop better tolerated PD-1/PD-L1 inhibitors for CHB patients. Lead molecules developed to date show similar in vivo efficacy in tumor models to approved PD-1/PD-L1 antibodies. Our small molecule lead compounds also demonstrate greater PD-L1 target occupancy at a lower dose in a humanized PD-L1 subcutaneous tumor model compared to competitor small molecule PD-L1 inhibitors. We have recently selected two lead molecules and have initiated scale-up to enable further advancement towards clinical development.

Our third area of focus is to develop drug candidates with pan-coronavirus antiviral activity, including against Severe Acute Respiratory Syndrome coronavirus 2 (SARS-CoV-2), the virus responsible for COVID-19. In this area of focus, we are using a exploring small molecule approach, where we are exploring coronavirus 3CL protease inhibitors (PIs) in collaboration with Katholieke Universiteit Leuven (KU Leuven), the Center for Innovation and Stimulation of Drug Discovery (CISTIM) and the Centre for Drug Design and Discovery (CD3). In addition, the preclinical activities of our COVID-19 program are funded through a grant from the National Institutes of Health (NIH) and the National Institute of Allergy and Infectious Disease (NIAID)'s Antiviral Drug Discovery (AViDD) Centers for Pathogens of Pandemic Concern program through the Metropolitan AntiViral Drug Accelerator (MAVDA) consortium. Our lead candidate, ALG-097558, is has been shown to be at least 6-fold more potent than nirmatrelvir and PBI-0451 other PIs in clinical development in cell-based assays against a panel of SARS-CoV-2 variants (including Omicron), demonstrates . It also has demonstrated broad pan-coronavirus activity, and based on preclinical studies, emerging Phase 1 clinical data, is not projected expected to require ritonavir boosting. Evaluation of ALG-097558 in the hamster SARS-CoV-2 infection model has shown that, when dosed prior to infection or up to 24 hours post-infection, the compound caused a significant reduction in the levels of infectious virus in the lungs. ALG-097558 also appeared to better maintain its antiviral activity against certain resistant mutants compared to other 3CL PIs in development based on publicly available data. We The safety and PK properties of ALG-097558 are currently completing first-in-human enabling nonclinical studies for ALG-097558 and anticipate a being assessed in an ongoing Phase 1 CTA filing study in HVs. To date, single doses up to 2000 mg have been well tolerated with dose related increase in PK. Additionally, in the on-going multiple ascending dose cohort, it is well tolerated at the 350 mg BID dose for 7 days with additional multiple dose cohorts planned to be conducted in the first and initiation second quarters of dosing in HVs 2024. We expect to share topline data from this study at a scientific conference in the second quarter of 2023.2024.

Our third area Preclinical activities for our coronavirus program were partially funded through a grant from the National Institutes of focus seeks to enhance the rate of functional cure for CHB, which often results in life-threatening conditions such as cirrhosis, Health (NIH) and the most common form National Institute of liver cancer, hepatocellular carcinoma (HCC). The most widely used treatment Allergy and Infectious Diseases (NIAID) Antiviral Drug Discovery (AViDD) Centers for CHB, nucleos(t)ide analogs (NAs), suppress viral replication, but only achieve low rates Pathogens of functional cure Pandemic Concern program through the Metropolitan AntiViral Drug Accelerator (MAVDA) consortium. Specific clinical and often require long-term administration. To address this, we have developed

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a portfolio of differentiated drug candidates for CHB, including a small molecule Capsid Assembly Modulator that results in the production of empty viral capsids (CAM-E), and a small interfering ribonucleic acid (siRNA), which is designed to suppress production of hepatitis B virus (HBV) surface antigen (HBsAg). Each of these drugs is designed against clinically validated targets in the HBV life cycle and is currently being evaluated in clinical trials.

The initial Phase 1a study in HVs for our CAM-E, ALG-000184, has been completed as has a Phase 1b dose ranging study evaluating the safety, pharmacokinetics and antiviral activity of 10-300 mg doses of ALG-000184 for 28 days among untreated HBV E-antigen (HBeAg) positive/negative CHB subjects. ALG-000184 was found in these portions of the study to be well tolerated with a favorable PK profile and demonstrated potentially best-in-class HBV DNA and RNA reductions as well as HBsAg reductions in a subset of HBeAg positive subjects receiving 300 mg ALG-000184 (Hou et. al, AASLD 2022). Based

on the favorable profile after dosing ≤300 mg ALG-000184 x 28 days, additional Phase 1b cohorts are currently being evaluated nonclinical studies for the risk-benefit profile ALG-097558 program and the follow up compound, are now also being funded with federal funds from the NIAID, NIH, Department of 100-300 mg doses of ALG-000184 with or without background entecavir (ETV) therapy for ≤48 weeks in HBeAg positive or negative CHB patients. Preliminary data presented for these cohorts (Hou et. al, APASL 2023) indicate that ALG-000184 dosed for up to 12 weeks is well tolerated with a favorable PK profile Health and potentially best-in-class antiviral activity. Specifically, antiviral activity data through Week 10 were summarized in cohorts of HBeAg positive subjects with normal baseline ALT (100 mg (Part 4 Cohort 1) and HBeAg positive subjects with normal/elevated baseline ALT (300 mg (Part 4 Cohort 2)). In Part 4 Cohorts 1 and 2, respectively, we observed greater mean DNA (4.9, 5.2 $\log_{10}$ IU/mL) and RNA (2.7, 3.3 $\log_{10}$ copies/mL) reductions vs. ETV alone (3.7 $\log_{10}$ IU/mL reduction, 0.1 $\log_{10}$ copies/mL increase, respectively). Similarly, among subjects with available data at Week 10, HBsAg levels declined in cohorts 1 and 2 to a maximum of 0.3 $\log_{10}$ IU/mL and 0.7 $\log_{10}$ IU/mL compared to no meaningful change in subjects dosed with ETV alone. Dosing in these and at least one additional cohort will continue throughout 2023 and interim safety, PK, and antiviral activity data will be presented at scientific conferences throughout the year.

With respect to our siRNA drug candidate, ALG-125755, a Phase 1 study is ongoing in New Zealand and in several countries in Eastern Europe. Part 1 of this study evaluated single doses in doses ranging from 20 mg to 200 mg in HVs and found that these doses were well tolerated with a favorable PK profile (Gane et al., APASL 2023). Part 2 of the study, which is an SAD in virologically suppressed HBeAg negative CHB subjects, is ongoing. To date, a 50 mg dose of ALG-125755 has been evaluated in Part 2 and found to be well tolerated with an acceptable PK profile. Human Services, under Contract No. 75N93023C00052. We plan to share preliminary data from conduct the clinical pharmacology studies

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in the second half of 2024 through the end of 2025 as part of this study at scientific conferences throughout 2023.

NIAID contract. We expect to receive approximately $11.0 million in funds across these two NIH awards and contracts to support these activities. We are also exploring ways presently seeking additional external funding (e.g., from governmental agencies) to boost immune responses via small molecule inhibitors support future studies (e.g., Phase 2) as we advance ALG-097558 for the treatment of the programmed death 1 (ligand) PD-1/PD-L1 interaction. We have rationally designed these T cell activating drugs to localize in the liver COVID-19 and thereby potentially mitigate systemic toxicity in an effort to develop better tolerated PD-1/PD-L1 inhibitors for CHB patients. Lead molecules developed to date show similar in vivo efficacy to approved PD-1/PD-L1 antibodies and greater target occupancy at a lower dose in a liver metastatic tumor model compared to

a subcutaneous tumor model. We believe that combination regimens utilizing our broad portfolio of CHB drug candidates, with or without other mechanisms of action, may lead to higher rates of functional cure. future coronavirus pandemics.

Our management team consists of a group of highly collaborative, culturally diverse executives with decades of drug discovery and development experience and a proven track record of success in the areas of viral infections and liver diseases. Most members of our management team have worked together across multiple companies, many for over a decade, and have been collectively involved in the discovery and/or development of a number of drugs that have been successfully commercialized, including Ganovo, Olysio, Sovaldi, Hepsera, Infergen, Valtrex, Sirturo, Neupogen, Andexxa, Esbriet, and Esbriet, Pegasys among others. In support of our management team, we also have assembled an industry-leading board of directors and a world-class group of scientific advisors with significant experience in drug development for liver diseases and viral infections.

Our team's collective experience and success in discovering and developing drugs targeting NASH MASH and viruses, combined with our in-house expertise in oligonucleotide small molecule and small molecule oligonucleotide drug discovery, gives us a differentiated set of capabilities, which has enabled us to rapidly establish a robust pipeline of multiple novel drug candidates, as summarized in the pipeline chart below.

Figure 1: Aligos development portfolio showing multiple milestones and data readouts anticipated in 2023 2024

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Our Strategy

Our strategy is to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes. Our initial areas of focus are NASH MASH and viral diseases, where our team can leverage their in-depth knowledge and expertise to develop potentially best-in-class combination potential regimens addressing large areas of unmet medical need. The core elements of our business strategy include:

- ***Developing improved drug candidates against clinically validated targets.*** We leverage our oligonucleotide small molecule and small molecule oligonucleotide platforms, which are designed to identify drug candidates with pharmacologically optimized characteristics compared to other drug candidates, including the potential for improved efficacy, safety and/or route of administration. By initially focusing on clinically validated

targets, we increase the likelihood of demonstrating clinical efficacy and delivering optimized combination regimens.

- ***Creating combination regimens designed to achieve better outcomes.*** We believe that most chronic and viral diseases require combination therapies for optimal treatment outcomes and that combining individual drugs which can act additively or synergistically provides the greatest potential for enhanced efficacy. For each of our drug candidates, our strategy in Phase 1 early phase studies is to rapidly evaluate safety and demonstrate proof of activity for each individual drug. Subsequently, we may plan to combine multiple drug candidates in Phase 2 later phase trials to identify optimized combination regimens to be advanced into pivotal trials.
- ***Expanding our development capabilities and pipeline.*** We are utilizing our in-house discovery expertise to continually improve upon our existing drug candidates by identifying promising backup candidates and exploring novel and emerging drug targets in NASH MASH and viral diseases. We are also evaluating novel mechanisms of action with the potential to complement our current pipeline. To further supplement our internal discovery and development efforts, we actively evaluate external technology platforms and assets for future development candidates for liver and viral diseases. To date, we have secured licenses for technology from Emory, Luxna and AM Chemicals, LLC (AM Chemicals), and have entered into collaborations with KU Leuven's Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery, CD3, and we have a collaboration with Merck Sharp & Dohme Corp., a subsidiary of Merck & Co., Inc. (known outside of the United States and Canada as MSD) (which

Merck Sharp & Dohme Corp., or Merck & Co., Inc., individually or together, are referred to herein as "Merck").

- ***Maximizing the value of our drug candidates.*** We currently hold worldwide development and commercialization rights, including through exclusive licenses, to all of our drug candidates. We intend to pursue independent development and commercialization in select indications and markets that we can address with a specialty sales and marketing organization. We may opportunistically explore additional licensing agreements, collaborations or partnerships to develop our drug candidates in larger market indications where we could accelerate development utilizing the resources of larger biopharmaceutical companies, or to commercialize them in specific geographies.

Our Approach to Research and Development

Our oligonucleotide small molecule and small molecule oligonucleotide platforms are designed to allow us to discover drug candidates that can be used to develop potentially best-in-class combination regimens. Oligonucleotide approaches enable specific inhibition of the translation of host or viral genes to affect a desired outcome that would be challenging to achieve with traditional small molecules. We believe the diversity of chemical matter we can generate with these complementary modalities broadens the range of therapeutic targets we can address with our platforms and provides us with a differentiated set of in-house capabilities to use in developing novel, optimized combination regimens across all of our current areas of focus.

Our approach of combining multiple mechanisms from these distinct modalities is based on the observation that most chronic diseases, whether extrinsic (e.g., HIV and Hepatitis C) or intrinsic (e.g., metabolic syndrome conditions such as hypertension and diabetes), often require combination therapy to achieve optimal outcomes. Combination approaches have the advantage of simultaneously targeting multiple pathways and can act broadly and potentially synergistically. Particularly in

the case of viral diseases, the simultaneous use of multiple drugs in combination can increase the barrier to viral resistance. As part of our drug candidate screening paradigm, we perform in vitro combination studies to ensure that none of the combinations we plan to evaluate clinically demonstrate antagonistic interactions.

Our team has extensive end-to-end drug discovery and development experience across multiple therapeutic areas and disciplines. Our clinical development strategy leverages past experience experiences to rapidly advance drug candidates towards optimized combination regimens. We have strengthened our platforms by in-licensing select intellectual property, which, together with our in-house expertise, allows us to develop novel and proprietary drug candidates.

Small molecule platform

Our team has the capability and experience to rapidly identify and optimize small molecules, including traditional small molecules, peptidomimetics and prodrugs. Our team has a strong track record of developing and commercializing small molecule drug candidates. We use state-of-the-art computational chemistry and crystallography to enable structure-guided drug design. We have applied this approach to the multidimensional

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optimization of potential drug candidates in multiple therapeutic areas, including for liver diseases and viral infections.

Traditional small molecules

To date, traditional small molecules represent the vast majority of approved drugs and are the primary chemistry approach used for drug discovery.

THR-b agonists are small molecules that have been shown to significantly reduce circulating lipid levels and improve liver histology in patients with MASH. Based on publicly available and/or internally collected in vitro data for THR-b agonists currently in clinical development, our drug candidate ALG-055009 has demonstrated the greatest beta selectivity and highest potency for the THR-beta receptor, which appears to be strongly correlated with efficacy (as determined by MRI proton density fat fraction – MRI-PDFF). ALG-055009 also demonstrated dose proportional pharmacokinetics with low variability and expected thyromimetic effects in a completed Phase 1 study evaluating dosing for up to 14 days. Importantly, the PK properties of ALG-055009 included dose proportional increases in exposure across a broad range of doses as well as low inter-subject variability, which may result in more uniform exposures and potentially lead to more consistent efficacy and safety in a MASH population compared to other THR-b drugs in development.

CAM-Es are small molecules that have been shown to significantly reduce HBV DNA and RNA levels in CHB patients. We have identified ALG-001075, which has demonstrated potentially best-in-class in vitro potency. The prodrug of

ALG-001075, ALG-000184, has been evaluated as single and multiple doses in HVs and CHB subjects and been found to be well tolerated, with favorable PK, and substantial antiviral activity. ALG-000184 is currently being evaluated in longer duration (≤96 week) CHB cohorts with or without ETV, where it continues to show best-in-class antiviral properties across a variety of HBV markers.

PD-1/PD-L1 inhibitors are a way to boost immune responses via the programmed death 1 (ligand) PD-1/PD-L1 interaction. We have rationally designed these T cell activating drug candidates to partition in the liver and thereby potentially mitigate systemic toxicity in an effort to develop better tolerated PD-1/PD-L1 inhibitors for CHB patients. Lead molecules developed to date have shown similar in vivo efficacy in tumor models to approved PD-1/PD-L1 antibodies. Our small molecule lead compounds have also demonstrated greater PD-L1 target occupancy at a lower dose in a humanized PD-L1 subcutaneous tumor model compared to competitor small molecule PD-L1 inhibitors. We have recently selected two lead molecules and have initiated scale-up to enable further advancement towards clinical development.

Peptidomimetics

Peptidomimetics are small molecules derived from short polypeptides that can be used as drug candidates against multiple targets. The peptidomimetic approach has been successfully used in the antiviral field to develop protease inhibitor drugs against Hepatitis C virus (HCV) and human immunodeficiency virus (HIV). Working in collaboration with KU Leuven, CISTIM, and the CD3, our team has discovered multiple nanomolar potent potential drug candidates targeting the 3C-like protease of coronaviruses, which have shown pan-coronavirus activity and do not require ritonavir boosting based on nonclinical studies. Our lead candidate, ALG-097558, is at least 6-fold more potent than nirmatrelvir and other PIs in clinical development in cell-based assays against a panel of SARS-CoV-2 variants (including Omicron). It also demonstrates broad pan-coronavirus activity, and based on emerging clinical data, is not projected to require ritonavir boosting. The safety and PK properties of ALG-097558 are currently being assessed in an ongoing Phase 1 study in HVs. To date single doses up to 2000 mg have been well tolerated with dose related increase in PK. Additionally, in the on-going multiple ascending dose cohort, it is well tolerated at the 350 mg BID dose for 7 days with additional multiple dose cohorts planned to be conducted in the first and second quarters of 2024. We expect to share topline data from this study at a scientific conference in the second quarter of 2024.

Small molecule prodrugs

A prodrug is a compound that, after administration, is metabolized into the pharmacologically active parent drug. We use small molecule prodrug chemistry to optimize the drug-like properties of drug candidates to improve their solubility and pharmacokinetics. We have successfully applied this approach to ALG-001075 to create ALG-000184, our lead CAM-E drug candidate, which is currently being evaluated in the clinic for the treatment of CHB.

We are engaged in multiple other small molecule discovery efforts to identify additional potentially best-in-class drug candidates for the treatment of MASH, CHB and coronaviruses.

Oligonucleotide platform

We have distinct modalities within our oligonucleotide platform, including siRNAs. We have developed a portfolio of advancedmultiple oligonucleotide drug candidates for the treatment of CHB, including ALG-125755, an siRNA drug candidate. In addition, we are leveraging our oligonucleotide platform to develop drug candidates for other diseases such as for the treatment of NASH, MASH, including in collaboration with Merck.

We have exclusively licensed proprietary technologies that enhance our oligonucleotide platform. These technologies include third generation bridged nucleic acid (BNA) and N-acetylgalactosamine (GalNAc) chemistries, which can improve liver targeting, increase potency, and enhance pharmacokinetic properties.

Small interfering RNAs (siRNAs)

siRNAs are a class of double-stranded, non-coding RNA that interferes with viral replication by silencing gene expression. Multiple siRNAs have demonstrated significant reductions in HBsAg levels in clinical trials. Our novel and proprietary siRNA technology has resulted in the identification of molecules, including ALG-125755, that have demonstrated high potency and long-lasting durability in nonclinical CHB models. A For ALG-125755, we conducted a Phase 1 study evaluating single doses ranging from 20-200 mg and 50-320 mg in HVs and virologically suppressed HBeAg negative CHB subjects, respectively. In this study, we found that these single doses were well tolerated and resulted in favorable PK data. With respect to antiviral activity, available data indicate evidence of HBsAg lowering at all 3 dose levels evaluated. We plan to seek additional external funding to further advance this drug candidate is currently ongoing in New Zealand and several countries in Eastern Europe and clinical data on this drug candidate will be presented at scientific conferences throughout 2023.

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optimization of potential drug candidates in multiple therapeutic areas, including for liver diseases and viral infections.

Traditional small molecules

To date, traditional small molecules represent the vast majority of approved drugs and are the primary chemistry approach used for drug discovery. We are developing many small molecule drug candidates, including for the treatment of NASH and CHB.

THR-b agonists are small molecules that have been shown to significantly reduce circulating lipid levels and improve liver histology in patients with NASH. Based on publicly available data, ALG-055009, a THR-b agonist has demonstrated improved potency in vitro and increased efficacy in nonclinical animal models relative to other THR-b agonists in Phase 2 or later stages of development. We have recently shown that ALG-055009 has a favorable safety, PK, and lipid-lowering profile when dosed for up to 14 days. Importantly, the PK properties of ALG-055009 include dose proportional increases in exposure across a broad range of doses as well as low inter-subject variability, which is likely to result in more uniform exposures and lead to more consistent efficacy and safety in a NASH population compared to other THR-b drugs in development.

CAM-Es are small molecules that have been shown to significantly reduce viral markers in CHB patients in clinical studies. Applying our small molecule platform, we have identified ALG-001075, which has demonstrated improved in vitro potency in nonclinical animal models compared to other CAM-Es in development based on publicly available data. The prodrug of ALG-001075, ALG-000184, has been evaluated as single and multiple doses in HVs and CHB subjects and been found to be well tolerated, with favorable PK, and substantial antiviral activity. ALG-000184 is currently being evaluated in longer duration (≤48 week) CHB cohorts with or without ETV, where it continues to show best-in-class properties.

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Small molecule prodrugs

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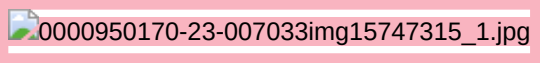
We are engaged in multiple other small molecule discovery efforts to identify additional potentially best-in-class drug candidates for the treatment of NASH, coronaviruses, and CHB.

development.

Our approach to developing potentially best-in-class therapeutic combinations

Our approach to developing potentially best-in-class regimens for our therapeutic areas of interest leverages the most promising modalities from our oligonucleotide small molecule and small molecule oligonucleotide platforms to advance rapidly from monotherapy Phase 1 trials into Phase 2 combination trials. trials, with the potential for combination. As a first step, we evaluate the safety and activity of each drug candidate in healthy volunteers and patients with the disease of interest. We intend to then efficiently evaluate drug candidates shown to have activity in Phase 1 in various monotherapy and combinations in Phase 2 platform protocols to enable us to identify optimized combination regimens that will then be evaluated in Phase 3 pivotal trials. The potential combinations we may evaluate may could include additional drug candidates or current standard of care. Throughout all phases of clinical development, pre-specified adaptive study rules allow real-time adjustment of trial conduct based on emerging clinical trial data. These practices allow us to gain a rapid understanding of the risk/benefit profile for our individual drug candidates and combination regimens, and iteratively refine our strategy based on emerging data. This approach is summarized in the figure below.

Figure 2: Combination protocols



Our Pipeline

We are focused on NASH MASH and viral diseases, areas in which our employees have expertise and decades of experience. We are advancing our THR-ß agonist for NASH MASH and also have a we are progressing oligonucleotide projects for MASH, including in collaboration with Merck to discover and develop oligonucleotides against an undisclosed target for the treatment of NASH. Our COVID PI for the treatment of COVID-19 also appears to be favorably differentiated in preclinical studies and is anticipated to enter the clinic in the second quarter of 2023. Merck. In the area of CHB, our most advanced drug candidates are designed to achieve greater viral suppression and higher rates of functional cure, which we believe will require the use of a combination of drugs with complementary mechanisms of action (MOA). Each of our CHB modalities plays an important role in disrupting the HBV life cycle and, in nonclinical studies, certain combinations have been shown to act additively or synergistically. Our pan-coronavirus PI for the treatment of COVID-19 also appears to be favorably differentiated in a Phase 1 study and we expect to share topline data from this study in the second quarter of 2024. We believe combination therapy will be critical for improved patient outcomes in most, if not all, of

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these disease settings and intend to combine our drug candidates with others that have potentially complementary MOAs.

Figure 3: Aligos development portfolio showing multiple milestones and data readouts anticipated in 2023 2024

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ALG-055009: Potential best-in-class small molecule THR-

Our NASH program agonist for MASH

One of the effects of improper diet and insufficient exercise is the accumulation of fatty deposits in the liver, referred to as nonalcoholic fatty metabolic dysfunction associated steatotic liver disease (NAFLD) (MASLD), which was estimated to occur in approximately 25% 30% of the worldwide population as of 2015. At that time, an 2019. An estimated 1.5% to 6.5% of the global population was estimated to have an ongoing inflammatory response to these excess fat deposits, which is was referred to as NASH. NASH (non-alcoholic steatohepatitis), and is now called MASH. Over the past several years, the prevalence of NASH MASH has continued to rise. In the United States alone, the prevalence of NASH MASH is projected to increase from approximately 16.5 million in 2015 to 27.0 million in 2030. In the absence of changes in diet and exercise, the inflammation inherent in NASH MASH persists and may result in progressive fibrosis of the liver, which may result in cirrhosis. These fibrotic changes are associated with numerous morbidities including recurrent hospitalization for complications of cirrhosis, hepatocellular carcinoma, need for liver transplant, and death.

The only widely accepted treatment for NASH MASH is weight loss through behavioral modifications such as diet and exercise, which is difficult to achieve at the broad population level. As there are currently no approved drugs to treat NASH, MASH, many development programs are underway to identify drugs to address this epidemic.

Small molecule approaches

One of the promising MOAs in the NASH MASH space appears to be drugs which preferentially target the beta subtype of the THR receptor.

THR- background

The thyroid hormone triiodothyronine (T3) has many physiological effects throughout the body, ranging from increasing metabolism, including fat metabolism, to stimulating growth and development. T3 exerts its effects by binding to the thyroid hormone receptor (THR), which has two subtypes: alpha (THR-α) and beta (THR-□). The distribution of the two THR subtypes varies by organ, with THR-□ predominantly expressed in the liver and THR-α predominantly expressed in other tissues (e.g., heart, skeletal muscles and bone). Drug candidates like resmetirom,

which preferentially binds the THR-□ subtype, have been shown in clinical trials to lower lipid levels in serum and the liver, while avoiding the unwanted effects associated with THR-α stimulation. In addition to the intended effect

of lowering liver lipid levels in NASH MASH patients, lowering serum lipid levels via THR-□ agonism may also have favorable consequences in this population, which has a high rate of underlying cardiovascular disease.

The most advanced THR-□ agonists in clinical development are VK-2809 in Phase 2b and resmetirom, which recently reported potentially filed a U.S. new drug application (NDA) based on favorable Phase 3 data (Madrigal (Harrison et al., EASL 2023) and VK-2809, which is currently in Phase 3 press release, December 2022). 2b. Both of these drugs have demonstrated significant reductions in lipid levels in the liver and serum and, to date, have an acceptable risk-benefit profile. In addition, resmetirom has demonstrated histologic evidence of NASH MASH resolution and fibrosis improvement in Phase 3, which are both FDA approvable NASH MASH endpoints. Our lead THR- THR-ß drug candidate ALG-055009 may have important advantages over these compounds. Side-by-side biochemical and cell-based experiments in HEK293T cells indicate that ALG-055009 is 5- to 47-fold more potent and 3- to 2-fold more selective for the □ receptor compared to VK-2809 and resmetirom, respectively, which respectively. This is important because, as can be seen in Figure 4, the more potent the THR-b drug is, the greater its effects on efficacy as determined by relative MRI-PDFF reduction. MRI-PDFF reduction, in turn, is important because it has been shown in a large Ph3 study to strongly correlate with histologic improvement, including the clinically meaningful measurement of fibrosis improvement (Figure 5 – Loomba et al., AASLD 2023).

Figure 4: ALG-055009 comparisons to other THR-b Drug Candidates*

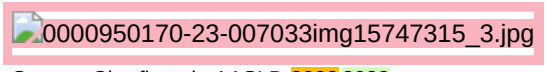
*The results included in Figure 4 are not from a head-to-head trial and that differences in study design may optimize result in the risk-benefit profile varying outcomes noted.

Figure 5 - MRI-PDFF is strongly correlated with histologic improvement for ALG-055009. the THR-b agonist resmetirom

ALG-055009 is currently being evaluated in recently completed a Phase 1 first in human study in HVs (oral single doses) and subjects with hyperlipidemia (14 oral daily doses). Preliminary data after single doses up to 4 mg and multiple daily doses up to 1 mg have previously been reported at EASL 2022 and AASLD 2022, 2023, respectively. At these conferences, data were presented that showed ALG-055009 was well tolerated, had dose proportional PK and low variability, and demonstrated expected thyromimetic effects (i.e., generally dose proportional increases in sex hormone binding globulin and decreases in various atherogenic lipids and thyroid hormones) – see Figures 4 6 and 5 below. We are now taking the necessary steps to advance ALG-055009 into a Phase 2 proof of concept study which we anticipate will evaluate magnetic resonance imaging proton density fat fraction (MRI-PDFF). These steps include: 1) conducting a relative bioavailability cohort in the ongoing Phase 1 study; 2) completing 13-week GLP toxicology studies; and 3) manufacturing of Phase 2 drug supply. We anticipate submitting the Phase 2 protocol to the FDA in the fourth quarter of 2023. Based on its favorable PK, which is likely to result in more uniform exposures and which we believe will lead to more consistent efficacy and safety in a NASH population, ALG-055009 has the potential to become a best-in-class THR- 7.

agonist and could play an integral role in future combination regimens for NASH.

Figure 4 6 – ALG-055009 PK after 14 daily oral doses in subjects with hyperlipidemia – Linear, with low (Coefficient of Variation ≤27% ≤29%) variability



Source: Charfi et al., AASLD 2022 2023

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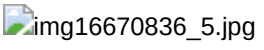
Figure 5 7 – Lipid (LDL) lowering effects of ALG-055009 after 14 daily oral doses in subjects with hyperlipidemia – Expected thyromimetic effect (i.e., dose proportional reductions)



Source: Charfi et al., AASLD 2022 2023

A second Phase 1 study evaluating whether there is the potential for a drug drug interaction (DDI) between ALG-055009 and atorvastatin has also recently completed study conduct in Part 1 of the study; data from this part are preliminary but we have not identified clinically meaningful safety concerns or evidence of a DDI with atorvastatin.

Currently, we are initiating a Phase 2a proof of concept study (HERALD) under an amendment to an open investigational new drug application (IND). The study's design is a 12-week randomized, placebo-controlled trial evaluating 4 doses of ALG-055009 vs. placebo in approximately 100 subjects with presumed liver fibrosis stage 1-3 (F1-F3) MASH. In addition to collecting safety and PK data, this study is also designed to assess multiple efficacy biomarkers, which include MRI-PDFF and other non-invasive tests previously shown to be impacted by treatment with THR-ß agonists. We anticipate dosing to begin in the second quarter of 2024 and with topline safety and 12 week MRI-PDFF data from this study in the fourth quarter of 2024.

Based on its favorable potency/selectivity and PK, which is likely to result in more uniform exposures and which we believe will lead to more consistent efficacy and safety in a MASH population, we believe ALG-055009 has the potential to become a best-in-class THR-ß agonist and could play an integral role in future combination regimens for MASH.

Oligonucleotide approaches

Recently, genome-wide association and large candidate gene studies have enriched our understanding of the genetic basis of NASH. MASH. Variants in multiple human genome sequences have been identified as major common genetic determinants of this disease. We are applying our oligonucleotide platform technology to discover, research, optimize and develop oligonucleotides directed against NASH, MASH, including in collaboration with Merck.

Our Coronaviruses Program

SARS-CoV-2 is responsible ALG-000184: Potential best-in-class small molecule CAM-E for the COVID-19 pandemic, which has infected more than 274 million individuals and is responsible for the death of more than 6.6 million individuals worldwide, including approximately 1.1 million in the US, as of early March 2023. After Middle East Respiratory Syndrome (MERS) and SARS (SARS-CoV-1), SARS-CoV-2 is the third known coronavirus to cross over from animal species to humans and cause significant morbidity and mortality in the past 20 years. Due to the ongoing COVID-19 pandemic and the risk of additional novel coronaviruses emerging in the future, there is a need to develop novel therapeutics with pan-coronavirus activity that have a high barrier to resistance. While multiple vaccines are now available, it is unlikely that vaccination will be fully efficacious against all emerging variants and/or widely adopted, indicating that the need for effective therapeutic treatments will remain. Two orally available therapeutics have been authorized for emergency use for the outpatient treatment of COVID-19, but both have important limitations related to sub-optimal efficacy (molnupiravir, a nucleoside analog; Merck) or the need for ritonavir boosting (PF-07321332/nirmatrelvir, a protease inhibitor; Pfizer). Our drug candidate, ALG-097558, is at least 6-fold more potent in cell-based assays than nirmatrelvir and PBI-0451 against a panel of SARS-CoV-2 variants (including Omicron), has broad pan-coronavirus activity, and is not projected to require ritonavir boosting.

Clinical development plan

We anticipate completing first in human enabling nonclinical studies of ALG-097558 in the first quarter of 2023, leading to a Phase 1 CTA filing and initiation of dosing in HVs in the second quarter of 2023. Following this, we plan to conduct dose range finding Phase 2 studies in COVID-19 infected outpatients to evaluate proof of activity and identify a dosing regimen(s) to advance into larger confirmatory studies that could support drug registration. Following the initial Phase 2 study, we may evaluate combinations of our drug candidates, with or without the then-prevailing standard of care. We may assess a range of patient populations, including community and hospital-based subjects, as well as various degrees of disease severity, following the establishment of proof of

activity. In addition to evaluating our drug candidates as treatment options after infection, we may also evaluate them as potential prophylactic or post-exposure therapies.

Our CHB Program

CHB is the most common viral infection in the world and an area of substantial unmet medical need. There are over 296 million chronic carriers worldwide and approximately 1.5 million individuals become newly infected every year despite the availability of an efficacious prophylactic vaccine. In 2019, there were more than 90 million cases of CHB in China alone, while the EU, European Union (EU), United States and Japan accounted for nearly 8 million cases. Complications from CHB include cirrhosis, end-stage liver disease, and HCC, which collectively resulted in approximately 820,000 deaths in 2019, according to the World Health Organization. CHB is the primary cause of liver cancer worldwide, and the mortality associated with HBV-related liver cancer continues to increase.

Current therapy for CHB may entail life-long treatment and does not eliminate the virus in a meaningful number of patients. In the case of nucleos(t)ide analogs, long-term treatment can lower the amount of HBV DNA in

circulation, resulting in improvements in long-term disease outcomes, but virological relapse is common after treatment cessation. Our goal is to achieve greater rates of viral suppression (as measured by a combination of HBV markers, including DNA) and more meaningful rates of functional cure, which is defined as a sustained loss of HBsAg and HBV DNA with or without hepatitis B surface antibody seroconversion after a finite treatment course. Our team's years of experience in antiviral drug development suggest that only by developing a combination regimen targeting multiple mechanisms can meaningful functional cure rates for CHB be achieved.

We have developed a portfolio of differentiated drug candidates for CHB, including a small molecule CAM-E and oligonucleotide (siRNA), that have entered clinical development, each of which are designed to interfere with multiple clinically validated targets pathways in the HBV life cycle and may lead to higher rates of viral suppression and, in combination with other mechanisms of action, also may lead to higher rates of functional cure when used cure. We are also pursuing a strategy to restore immune function in combination. CHB infected subjects through targeting of the PD-1 / PD-L1 pathway and have recently identified two lead molecules in this space. We have initiated scale-up to enable further advancement towards clinical development.

ALG-000184 (CAM-E) for CHB

CAM-Es are a class of small molecule antiviral agents that accelerate HBV capsid assembly and inhibit pgRNA encapsidation (1st MOA), resulting in lower circulating HBV pgRNA and DNA levels and empty viral capsids. CAM-Es are also believed to regulate the formation establishment/replenishment of cccDNA at the onset of infection, (2nd MOA), a major factor for the persistence of HBV infection. infection and which is detectable by circulating HBV antigen levels (HBsAg, HBcrAg, and HBeAg). In clinical trials, competitor CAM-Es have been shown to provide greater reductions in HBV DNA and RNA reduction when combined with nucleos(t)ide analogs than can be achieved with nucleos(t)ide analogs alone. (1st MOA) but have rarely and inconsistently shown reductions in HBV antigens (2nd MOA).

In 2018, we in-licensed a lead drug candidate (GLP-26) and the associated IP for a CAM-E from the laboratory of Professor Raymond Schinazi at Emory University. Our scientists optimized this lead drug candidate to discover the picomolar potent CAM-E, ALG-001075, which was further optimized to the prodrug ALG-000184. The initial Phase 1a study in HVs for ALG-000184 ALG-000184 has been completed as has a Phase 1b dose ranging study evaluating the safety, pharmacokinetics and antiviral activity of 10-300 mg doses of ALG-000184 for 28 days among untreated HBeAg positive/negative CHB subjects. ALG-000184 was found in these portions of the study to be well tolerated with a favorable PK profile and demonstrated substantial HBV DNA and RNA reductions at all doses tested as well as HBsAg reductions in a subset of HBeAg positive subjects receiving 300 mg ALG-000184 (Hou et al, al., AASLD 2022). Based on the favorable profile after dosing up to 300 mg ALG-000184 x 28 days, additional Phase 1b cohorts are ongoing and evaluating the risk-benefit profile of 100-300 mg doses of ALG-000184 with or without background entecavir (ETV) therapy for ≤48 ≤96 weeks in HBeAg positive or negative CHB patients. Preliminary data presented for HBeAg positive subjects in these cohorts (Hou et al, APASL 2023) indicate that ALG-000184 dosed for up to 12 48 weeks is well tolerated with a favorable PK profile and demonstrates potentially best-in-class antiviral activity. activity (Yuen et al., AASLD 2023). Specifically, antiviral activity data are available demonstrated that 300 mg ALG-000184 + ETV resulted in cohorts of HBeAg positive subjects with normal baseline ALT (100 mg (Part 4 Cohort 1) and HBeAg positive subjects with normal/elevated baseline ALT (300 mg (Part 4 Cohort 2)). In Part 4 Cohorts 1 and 2, respectively, we have observed greater mean profound reductions in HBV DNA (4.9, 5.2 $\log_{10}$ IU/mL) and RNA (2.7, 3.3 $\log_{10}$ copies/mL) reductions at Week 10 vs. ETV alone (3.7 $\log_{10}$ IU/mL reduction, 0.1 $\log_{10}$ copies/mL increase, respectively) – see Figure 6. Similarly, among subjects with available data at Week 10, HBsAg levels declined in cohorts 1 and 2 which were superior to a maximum of 0.3 $\log_{10}$ IU/mL and 0.7 $\log_{10}$ IU/mL compared to no meaningful change in subjects dosed that achieved with ETV alone – see (Figure 8). Furthermore, the extent of HBV DNA suppression was similar whether ALG-000184 was dosed alone or in combination with ETV, potentially indicating ETV did not meaningfully contribute to observed DNA lowering effects. Also of note, ALG-000184 monotherapy was not associated with viral

breakthrough over dosing periods of up to 40 weeks (Figure 8, right panel). These data indicate robust antiviral effects occur through the CAM-E 1st MOA. Emerging antiviral activity data also indicate that ALG-000184 may be inhibiting cccDNA establishment/replenishment (2nd MOA), which is an important component of maintaining the HBV life cycle and the disruption of which may enhance the rates of functional cure. Evidence for the inhibition of cccDNA establishment/replenishment can be found in Figure 7.9, where the rates of multiple important cccDNA-derived viral antigens (HBsAg, HBcrAg, and HBeAg) are reduced over time and in a dose responsive manner (Yuen et al., AASLD 2023).

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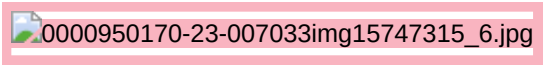
Figure 68 – DNA RNA over time in HBeAg positive subjects dosed with ALG-000184 + with or without ETV or ETV (Hou alone (Yuen et al., APASL AASLD 2023)

img16670836_6.jpg

Figure 79 – HBsAg HBV antigens over time in HBeAg positive subjects dosed with 300 mg ALG-000184 + with or without ETV or ETV alone (Hou (Yuen et al., APASL AASLD 2023)



0000950170-23-007033img15747315_6.jpg

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Dosing 12

Long term dosing in these cohorts, HBeAg positive and in at least one additional cohort evaluating additional regimens and/or populations, HBeAg negative subjects will continue throughout 2023, 2024, and interim safety, PK, and antiviral activity data will be presented at scientific conferences throughout the year.

ALG-125755 (siRNA) for CHB

Small interfering RNA (siRNA), also known as short interfering RNA or silencing RNA or RNA interference (RNAi), are a class of double-stranded, non-coding RNA, typically 20-27 base pairs in length. siRNA interferes with viral replication by silencing gene expression and subsequent protein (e.g., HBsAg) translation and secretion. siRNAs have shown efficacy across multiple indications, including CHB, where significant, gradual and durable reductions in HBsAg have been observed in clinical trials.

We started with our bioinformatics approach to identify regions of the HBV genome for targeting and used our proprietary technology to maximize potency and minimize the number of 2'-F nucleotides in our sequences. We applied this approach to our screening paradigm to identify our lead siRNA candidate, ALG-125755. 125755.We plan to seek additional external funding to further advance this drug candidate in clinical development.

Molecular characteristics and nonclinical data

In cell-based assays measuring reduction in HBsAg in infected cells, our lead siRNA drug candidate, ALG-125755, demonstrated potent inhibition of HBsAg release from HBV-infected cells. When dosed in vivo in the AAV-HBV mouse model of CHB infection, a single 5 mg/kg subcutaneous injection resulted in a sustained reduction of serum HBsAg of approximately 1-1.5 $\log_{10}$ IU/mL through the last measurement at 28 days. Similarly, multiple 5 mg/kg doses of ALG-125755 in the AAV-HBV mouse model resulted in sustained up to ~2.5 $\log_{10}$ IU/mL reductions in HBsAg levels. ALG-125755 compared favorably to a competitor siRNA (e.g., VIR-2218) based on a reported AAV-HBV experiment (Anglero-Rodriguez Y. et al., EASL 2020, Poster SAT-426), however it should be noted that this study was not conducted as a head-to-head study.

Figure 8: HbsAg 10: HBsAg Values Over Time for VIR-2218 and ALG-125755 in AAV-HBV Mouse Model

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Our efforts to advance Evaluation of single ALG-125755 are ongoing. A doses in a Phase 1 first in human study is ongoing in New Zealand and in several countries in Eastern Europe. now complete. Part 1 of this study evaluated single ascending doses (SAD) from 20 mg to 200 mg in healthy volunteers and found that these doses were well tolerated with a favorable PK profile (Gane et al., APASL, 2023). Part 2 of the study, which is an SAD evaluated single 50-320 mg doses in virologically suppressed HBeAg negative CHB subjects, is ongoing. As where it demonstrated an acceptable safety results, predictable PK, and evidence of March 1, 2023, a 50 mg antiviral activity (HBsAg lowering) at all dose of ALG-125755 has been evaluated in Part 2 and found to have favorable PK. levels evaluated. We plan to share preliminary data from seek additional external funding to further advance this study at scientific conferences throughout 2023.drug candidate in clinical development.

In conclusion, our proprietary siRNA technology is based on modifying chemistries, patterns and the use of our proprietary GalNAc liver targeting technology, and has resulted in the identification of drug candidates, including ALG-125755, that have shown promising profiles results with long lasting durability in nonclinical CHB models.

Nonclinical combination data ALG-097558: Potential best-in-class small molecule pan-coronavirus protease inhibitor

SARS-CoV-2 is responsible for the COVID-19 pandemic, which has infected more than 760 million individuals and is responsible for the death of more than 6.9 million individuals worldwide (WHO – 9 August 2023), including approximately 1.1 million in the US. After Middle East Respiratory Syndrome (MERS) and SARS (SARS-CoV-1), SARS-CoV-2 is the third known coronavirus to cross over from animal species to humans and cause significant morbidity and mortality in the past 20 years. Due to the COVID-19 pandemic and the risk of additional novel coronaviruses emerging in the future, there is a need to develop novel therapeutics with pan-coronavirus activity that have a high barrier to resistance. While multiple vaccines are now available, it is unlikely that vaccination will be fully efficacious against all emerging variants and/or widely adopted, indicating that the need for effective therapeutic treatments will remain. Two orally available therapeutics have been authorized for emergency use for the outpatient treatment of COVID-19, but both have important limitations related to sub-optimal efficacy (molnupiravir, a nucleoside analog; Merck) or the need for ritonavir boosting (PF-07321332/nirmatrelvir, a protease inhibitor; Pfizer). Our drug candidate, ALG-097558, is at least 6-fold more potent in cell-based assays than nirmatrelvir against a panel of SARS-CoV-2 variants (including Omicron), has broad pan-coronavirus activity, and is not projected to require ritonavir boosting.

Clinical development plan

We performed are currently evaluating the safety and pharmacokinetics of ALG-097558 after single and multiple (twice daily dosing x 5 days) doses in vitro healthy volunteers. As of February 28, 2024, single doses up to 2000 mg have been well tolerated with acceptable PK results observed and we anticipate completing all single/multiple dosing cohorts

in the first half of 2024. We plan to share topline data from this study in the second quarter of 2024 at a scientific conference. We are also utilizing awarded NIH/NIAID grants/contracts with a total projected value of $11.0 million to fund additional nonclinical and clinical studies, in HepG2.2.15 cells including those required to assess advance ALG-097558 into later phases of development. Several of these studies are planned to be conducted throughout 2024. In parallel to these studies, we are also presently seeking additional external funding (e.g., from governmental agencies) to support future studies (e.g., Phase 2) as we advance ALG-097558 for the potential for drug-drug interactions on HBsAg or HBV DNA reductions when combining our drug candidates, treatment of COVID and the degree of synergy was quantified using MacSynergy II software. Combinations of our CAM-E drug candidate, ALG-000184, with other inhibitors of HBV replication generally demonstrated either additive or synergistic interactions.future coronavirus pandemics.

Early-stage discovery efforts

In addition to our development stage drug candidates, we are pursuing backup candidates in order to create a robust portfolio of assets which we can draw upon to create an optimized combination regimen for treatment in all of our disease areas of interest. We are also targeting additional novel viral and host targets with our oligonucleotide and small molecule platforms.

Sales and marketing

All of our assets are currently pre-commercial, and as such we have not yet established a sales and marketing organization or distribution capabilities. We intend to pursue independent development and commercialization in select indications and markets, and plan to build a commercial infrastructure to support a specialty sales and marketing organization, as well as distribution capabilities. Similar to our research, clinical and manufacturing operations, we expect to manage sales, marketing and distribution through dedicated staff and third-party contractors and consultants. We may opportunistically explore licensing agreements, collaborations or partnerships with one or more pharmaceutical companies to enhance our commercial capabilities.

Manufacturing

We are currently developing drug candidates in two primary modalities: oligonucleotides small molecules and small molecules. oligonucleotides. We have internal oligonucleotide small molecule and small molecule oligonucleotide chemistry teams that are able to produce drug candidates at sufficient scale to support discovery activities. In addition, we have a dedicated internal chemistry, manufacturing and control (CMC) team that works with contract development and manufacturing organizations to produce drug candidates in larger quantities, including to support nonclinical and clinical studies. We have built the teams and infrastructure needed to conduct and manage process development, analytical development, quality, manufacturing and supply chain activities.

Small molecule manufacturing

Small molecule manufacturing is a mature industry and is well supported by an extensive network of contract manufacturers. Like our approach for oligonucleotides, our internal CMC team conducts process development and

optimization, and supports our contract manufacturers with technology transfer.

Oligonucleotides manufacturing

Oligonucleotide manufacturing technology has matured significantly over the last several decades, with advanced oligonucleotide synthesizers commercially available to support smaller-scale synthesis, and a network of oligonucleotide contract manufacturers available to support larger-scale syntheses. Our internal CMC team supports our contract manufacturers with process development and optimization, or, where needed, we may collaborate with external consultants and contractors to optimize synthesis and scale-up.

Small molecule manufacturing

Small molecule manufacturing is a mature industry and is well supported by an extensive network of contract manufacturers. Like our approach for oligonucleotides, our internal CMC team conducts process development and optimization, and supports our contract manufacturers with technology transfer.

Competition

The life sciences industry is highly competitive and subject to rapid and significant technological change. Our competitors include multinational pharmaceutical companies, established biotechnology companies, universities and other research institutions. Many of our competitors have significantly greater financial, technical, human and other resources than we do and may be better equipped to develop, manufacture and market technologically superior products. In addition, many of these competitors may have significantly greater experience than we have in undertaking nonclinical studies and human clinical trials of new pharmaceutical drug candidates and in obtaining regulatory approvals of human therapeutic candidates. Accordingly, our competitors may develop superior drug candidates and may succeed in obtaining FDA approval for such candidates. Many of our competitors have established distribution channels for the commercialization of their products, whereas we have no such channel or capabilities. In addition, many competitors have greater name recognition and more extensive collaborative relationships.

Any drug candidates that we successfully develop and commercialize may compete with existing therapies and/or new therapies that may become available in the future. Our competitors may obtain regulatory approval of their candidates more rapidly than we do or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our drug candidates or any future drug candidates. Our competitors may also develop drugs that are more effective, more convenient, more widely used and less costly or that have a better safety profile than our drugs (if any) and these competitors may also be more successful than we are in manufacturing and marketing their products. If we are unable

to compete effectively against our competitors, we may not be able to commercialize our drug candidates or any future drug candidates or achieve a competitive position in the market. This would adversely affect our ability to generate revenue. It is likely that our competitors, either working alone or in collaboration with others, will have significantly greater financial resources, an established presence in target markets, expertise in research and development, manufacturing, nonclinical and clinical testing, and experience obtaining regulatory approvals and reimbursement and marketing approved products than we do. We are also in competition for the limited qualified scientific, sales, marketing and management personnel, space at clinical trial sites, for patient registration for clinical trials and technologies complementary to, or necessary for, our programs. New competitors may emerge, smaller or early-stage companies may grow, either on their own or through collaborative arrangements with large and established companies and competitors may concentrate through mergers and acquisitions.

NASH MASH competitors

There currently are no FDA-approved treatments for NASH. MASH. A number of pharmaceutical companies, including AbbVie, Inc., Akero, AstraZeneca PLC/MedImmune LLC, Bristol-Myers Squibb Company, Eli Lilly and

Company, Janssen, Merck, Novartis Pharmaceuticals Corporation (together with Pfizer, Inc.), Novo Nordisk A/S, Pfizer Inc., Roche, Sanofi S.A. and Takeda Pharmaceutical Company Limited (together with HemoShear Therapeutics, LLC), as well as large and small biotechnology companies such as 89bio, Inc., Akero Therapeutics, Inc., Cirius Therapeutics, Inc., Enanta Pharmaceuticals, Inc., FronThera US Pharmaceuticals LLC, Galectin Therapeutics Inc., Galmed Pharmaceuticals Ltd., Genfit SA, Gilead, Intercept Pharmaceuticals, Inc., Inventiva Pharma SA, Madrigal Pharmaceuticals, Inc., MediciNova, Inc., NGM Biopharmaceuticals, Inc., Pliant Therapeutics, Inc. (together with Novartis), Terns Pharmaceuticals, Inc. and Viking Therapeutics, Inc. are pursuing the development or marketing of pharmaceuticals that target NASH. MASH. It is also probable that the number of companies seeking to develop products and therapies for the treatment of serious metabolic diseases, such as NASH, MASH, will increase.

Coronaviruses competitors

In addition to remdesivir, which is FDA-approved, on December 22, 2021, Pfizer, Inc. received an emergency use authorization from the FDA for Paxlovid, an orally administered SARS-CoV-2 protease inhibitor co-administered with ritonavir. Similarly, Merck (together with Ridgeback Bio), is developing the drug molnupiravir, an oral antiviral drug which has been issued an emergency use authorization by the FDA on December 23, 2021. Several drugs are likely being used off-label for treatment, such as dexamethasone. Several approved drugs are being studied for their utility in reducing the severity of SARS-CoV-2 infections, including Soliris by Alexion Pharmaceuticals Inc., Atea Pharmaceuticals, Inc., Jakafi by Incyte Corporation, and Kevzara by Sanofi S.A./Regeneron Pharmaceuticals, Inc. There are significant efforts globally to develop both therapeutic and prophylactic drug candidates. In November 2022, Enanta Pharmaceuticals announced the initiation of a Phase 2 clinical trial for EDP-235 which is its oral protease inhibitor specifically designed for the treatment of COVID-19. Additionally, in September 2022 Pardes Biosciences announced commencement of its Phase 2 trial evaluating PBI-0451, its oral protease inhibitor, for the treatment of SARS-CoV-2 infections. In addition, Novartis is working on a once a day, pan-coronavirus, main protease inhibitor pill and had planned to start human testing in 2022, and Shionogi announced in September 2022 that its oral therapeutic drug for COVID-19, S-217622, a 3CL protease inhibitor has achieved its primary

endpoint in its Phase 3 part of the Phase 2/3 clinical trial in Asia. Several companies are focused on antibody treatments, including Amgen Inc. (together with Adaptive Biotechnologies Corporation), AbCellera Biologics, Inc. (together with Eli Lilly and Company), Regeneron Pharmaceuticals, Inc. and Vir Biotechnology, Inc. (together with GSK, Biogen Inc. and WuXi Biologics Ltd.). Numerous efforts are underway to develop vaccines against SARS-CoV-2, including by Altimmune, Inc., AstraZeneca PLC (together with Oxford University), BioNTech SE (together with Pfizer Inc.), GSK (together with Sanofi S.A.), Heat Biologics, Inc., Inovio Pharmaceuticals, Inc., Johnson & Johnson, Moderna, Inc., Novavax, Inc., and Vaxart, Inc.

For example, BioNTech SE (together with Pfizer Inc.), Janssen Pharmaceutical Companies of Johnson & Johnson and Moderna Inc. have each developed COVID-19 vaccines that have received FDA approval and/or authorization for emergency use and are being widely administered. In addition, on December 22, 2021, Pfizer, Inc. received an emergency use authorization from the FDA for Paxlovid, an orally administered COVID-19 protease inhibitor co-administered with ritonavir. Similarly, Merck (together with Ridgeback Bio), is developing the drug molnupiravir, an oral antiviral drug which also has been issued an emergency use authorization by the FDA on December 23, 2021.

CHB competitors

Current FDA-approved treatments for chronic HBV infection include peg-IFNα, marketed by Roche Holding AG (Roche), and oral antiviral agents such as nucleoside analogs, marketed by Gilead Sciences, Inc. (Gilead) and Bristol-Myers Squibb Company. These treatments do not lead to either a functional or a complete cure in the vast majority of patients, and in the case of nucleoside analogs, may require life-long treatment. Several large and small pharmaceutical companies are developing programs with various mechanisms of action, to be used alone or in combination, with the goal of achieving higher rates of functional or complete cure in patients with CHB. Companies with oligonucleotide agents in clinical development include Arbutus Biopharma Corporation, Dicerna Pharmaceuticals, Inc. (together with Roche), Ionis Pharmaceuticals, Inc. (together with GlaxoSmithKline plc (GSK)), Arrowhead Pharmaceuticals, Inc. (together with Janssen Pharmaceuticals, Inc. (Janssen)), and Vir Biotechnology, Inc. (together with Alnylam Pharmaceuticals, Inc.). Several companies are developing CAM-Es, including Johnson & Johnson, Assembly Biosciences Inc., Arbutus Biopharma Corporation, Roche and Enanta Pharmaceuticals. Several companies, including Altimmune, Inc., GSK, Janssen and Transgene SA, are developing therapeutic vaccines for HBV, and several others have approved HBV vaccines, including Dynavax Technologies,

Inc., GSK, Johnson & Johnson, and Merck. Replicor, Inc. is developing nucleic acid polymers (NAPs) for use in CHB patients.

Coronaviruses competitors

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License agreements and collaborations

License and Research Collaboration with Merck

In December 2020, we entered into an exclusive License and Research Collaboration Agreement with Merck under which Merck and Aligos will apply our oligonucleotide platform technology to discover, research, optimize and develop oligonucleotides directed against a MASH target and up to one additional liver-targeted cardiometabolic and/or fibrosis target.

In January 2022, we entered into an amendment to such License and Research Collaboration Agreement, which expanded our collaboration to include a license to Merck of an early-stage program directed to a second undisclosed MASH target on which we had previously been working independently and separately from Merck. In addition, under this expanded arrangement, Merck has the right to add a third target of interest to the collaboration. This third target, if added, will be for a liver-based cardiometabolic/fibrosis target. Such right to add a third target to the collaboration expired in January 2023.

Under the terms of the original agreement, we received an upfront payment from Merck. Under the amendment, we received a payment from Merck to carry out the research program for the second undisclosed MASH target. With respect to each collaboration target, we will be eligible to receive up to approximately $460 million in development and commercialization milestones as well as tiered royalties on net sales. We will be primarily responsible for designing, preparing

and evaluating the oligonucleotide molecules and delivering optimized lead molecules, and Merck will be responsible for subsequent research, clinical development and commercialization efforts.

Merck has the right to terminate the License and Research Collaboration Agreement in its entirety or on a target-by-target basis at any time by giving us 90 days' written notice. From the time Merck assumes responsibility for subsequent research until achievement of a certain regulatory event, we may terminate the License and Research Collaboration Agreement if Merck ceases all development activities for a specified period and fails to resume such activities within a reasonable time after we provide them with a resumption notice. Either party may terminate the License and Research Collaboration Agreement upon the other party's uncured material breach or insolvency. Upon termination for any reason other than our material breach, we will have the right to acquire from Merck the products and compounds being developed or commercialized by Merck under the License and Research Collaboration Agreement. Good faith negotiations between us and Merck would be performed to enact a transition plan.

In February 2023, Merck provided us written notice of termination for one of the targets in the collaboration.

License agreement with Emory University

In June 2018, we entered into the a license agreement with Emory (the Emory License Agreement. In June 2020, we amended the Emory License Agreement (the Emory Amendment). Under the Emory License Agreement, Agreement), pursuant to which Emory granted us a worldwide, sublicensable license under certain of its intellectual property rights to make, have made, develop, use, offer to sell, sell, import and export products containing certain compounds relating to Emory's hepatitis B virus capsid assembly modulator technology, forall therapeutic and prophylactic uses. Such license is initially exclusive with respect to specified licensed patents owned by Emory and non-exclusive with respect to certain of Emory's specified know-how. Beginning in In June 2022, the license to such patents became non-exclusive

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with respect to all fields except for the treatment and prevention of HBV. HBV; however, we may select up to six compounds which will maintain exclusivity with respect to all therapeutic and prophylactic uses. With respect to all other compounds that are enabled by the licensed patents, those which are jointly invented by Aligos us and Emory or inventors in the Schinazi laboratory, or which are disclosed in a specified licensed patent, are licensed to us exclusively including as to Emory, Emory; whereas all other such compounds are licensed to us non-exclusively. We have the right to sublicense rights licensed under the Emory License Agreement, provided that the sublicense agreement must be in compliance and consistent with Under the terms of the Emory License Agreement. Agreement, we are obligated to use commercially reasonable efforts to bring licensed products to market in accordance with a mutually agreed upon development plan. Unless terminated earlier by either party in

accordance with the provisions thereof, the Emory License Agreement shall continue until the expiration of the last–to-expire of the patents licensed to us thereunder.

Emory reserves the right for itself to practice, and have practiced by other entities solely for purposes of collaborative research with Emory, under the licensed patents for educational purposes, Emory's internal purposes, and for non-commercial research, patient care and treatment. Emory can further grant licenses to not-for-profit and governmental institutions for their internal non-commercial research and scholarly use.

Ownership of any new inventions arising out of our activities under the Emory License Agreement follows the inventorship laws of the United States. With respect to the licensed patents owned by Emory, we are required to prepare documents and filings for the prosecution and maintenance of such licensed patents, while Emory retains the option to provide final edits and approval of such documents and is responsible for the actual filing of such documents. We are responsible for the cost of the prosecution and maintenance of the licensed patents, and we have the first right, but not the obligation, to enforce such patents. We are solely responsible for the costs of any lawsuits we elect to initiate to enforce the licensed patents and cannot enter into a settlement in respect of such lawsuits without the prior written consent of Emory. Any sums recovered in such lawsuits will be shared equally between us and Emory after reimbursement of our costs for such litigation, except that for any award based on lost profits, Emory shall recover the greater of fifty percent of the award or the royalty Emory would have received had the infringing sales been made by us.

The technology claimed by the licensed patents under the Emory License Agreement may have been developed using U.S. government funding and the licenses therefore may be subject to a non-exclusive license held by the U.S. government, certain requirements that licensed products be manufactured substantially in the United States and U.S. government march-in rights. For more information on risks related to technology developed using government funding see the section titled "Risk Factors—Risks related to intellectual property."

Under the terms of the Emory License Agreement, we are obligated to use commercially reasonable efforts to bring licensed products to market in accordance with a mutually agreed upon development plan.

In June 2020, we amended the license agreement with Emory. Pursuant to the amended license agreement, Emory License Agreement, granted us additional patent rights to certain compounds targeting the treatment or prevention of HBV. As consideration for the additional rights, we paid an upfront fee of $0.3 million made a one-time, non-refundable payment to Emory reimbursed Emory for past patent expenses, and issued a convertible promissory note with a principal in the amount of $0.6 million to Emory. In August 2018, the convertible promissory note was cancelled and converted into 64,980 shares of Series A convertible preferred stock. We paid Emory an additional $0.2 million in connection with the Emory Amendment entered into in June 2020, , with an additional obligation to pay up to a maximum of $35,000. On the same date, the Company we entered into a collaboration agreement with Emory, with the initial research plan pertaining to the synthesis and evaluation of the compounds licensed through the additional patent rights granted in the amended license agreement. The research plan was set to terminate one year from the effective date of June 2020 but the Company we exercised its our option to extend it for a second year. In June 2022, the research plan terminated. In connection with the research plan, the Company provided we will provide Emory funding of up to $0.3 million per year.

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Additionally, we We have agreed to pay Emory up to an aggregate of $125 million $125.0 million upon the achievement of specified development, regulatory, and commercial milestones, and all ongoing patent costs. During the twelve months ended December 31, 2023 and 2022, we had no expenses related to milestone payments. We also agreed to pay Emory tiered single-digit royalties on worldwide annual net sales of licensed products, on a quarterly basis and calculated on a product-by-product basis. With respect to licensed products containing any of a specified subset of the licensed compounds, such royalties range from a mid-single digit to a high-single digit percentage rate. With respect to licensed products which do not contain such compounds, the royalties span a range of percentage rates within the mid-single digits if a Phase 1 clinical trial is initiated for the product within three years of the effective date of the Emory License Agreement, and range from a low-single digit to a mid-single digit rate if a Phase 1 clinical trial is initiated more than three years after the effective date. Our obligation to pay During the twelve months ended December 31, 2023 and 2022, we made no payments associated with royalties expires on a product-by-product and country-by-country basis upon the later of ten years after the date of first commercial sale of such product in such country and the expiration of the last-to-expire licensed patent right covering such product in such country. Lastly, if we sublicense any of the licensed patent rights, we are required to pay Emory a percentage of any license issuance recognized no expense or upfront fees we might receive, with the percent decreasing if we sublicense after the first anniversary and third anniversary of the effective date of the Emory License Agreement from a mid-double digit to a mid-single digit percentage rate. To date we have not granted any sublicense. accruals.

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The Emory License Agreement will expire upon expiration of the last-to-expire patent licensed to us thereunder. We may terminate the Emory License Agreement at any time in its entirety or with respect to specific patents for convenience by providing Emory with 90 days' written notice and are required to terminate the Emory License Agreement if we make a final decision to cease research, development or commercialization of any licensed products. Either party may terminate the Emory License Agreement if the other party materially breaches such agreement and fails to timely cure such breach. Emory may terminate the Emory License Agreement if we fail to reach a milestone at an agreed date and fail to timely provide commercially reasonable evidence of a reasonable, good-faith business or technical justification for such failure. Upon termination of the Emory License Agreement for our material breach, we will, upon Emory's request, grant to Emory a non-exclusive, royalty-free license to all of our rights in patents owned by, licensed or controlled by us to the extent they relate to our exercise of the licensed rights under the Emory License Agreement and include claims covering the manufacture, use or sale of any licensed products containing the licensed compounds. The Emory License Agreement will automatically terminate

if we become bankrupt or insolvent or if we challenge the validity or enforceability of any patent licensed to us under the Emory License Agreement.

We have agreed to indemnify Emory and certain others under the Emory License Agreement for losses they may suffer arising out of the rights licensed thereunder or the manufacturing, testing, design, use, sale or labeling of any product containing a licensed compound, unless caused by such potential indemnitee's negligence.

License agreement with Luxna Biotech Co., Ltd.

In December 2018, On December 19, 2018, we entered into the a license agreement with Luxna, Agreement. Under the Luxna Agreement, pursuant to which Luxna granted us an exclusive, worldwide, sublicensable license under certain of Luxna's intellectual property rights to research, develop make, have made and commercialize for all therapeutic and prophylactic uses, (i) products containing oligonucleotides targeting the hepatitis B virus genome, (ii) products containing certain oligonucleotides targeting up to three genes which contribute to NASH, MASH, which we may select at any time during the first eight years of the term, to the extent not licensed to a third party, and (iii) products containing oligonucleotides targeting up to three genes which contribute to HCC, hepatocellular carcinoma, which we may select at any time during the first three years of the term. During the first three years term, which expired in December 2021. As consideration for this agreement, we paid an upfront license fee of the term, Luxna will not grant rights to any third parties under the licensed patents to research or develop any compounds or products targeting an HCC gene target. As of June 30, 2020, we have identified two HCC gene targets and two NASH gene targets for the exclusive license. In addition, we have a right of first refusal for any additional xeno-nucleic acid (XNA) and/or gapmer modifications that are not claimed by the licensed patents that Luxna controls. If we exercise this right, we and Luxna will use good faith, diligent efforts to negotiate additional commercially reasonable financial terms for such additional modifications. We are obligated to use commercially reasonable efforts to pursue the research, development and commercialization of the licensed products throughout the term. We have the right to sublicense our licensed rights provided that the sublicense agreement must be in compliance and consistent with the terms of the Luxna Agreement. $0.6 million.

Additionally, pursuant to an In April 2020, amendment we amended the license agreement with Luxna. Pursuant to the amended license agreement, Luxna Agreement (the Luxna Amendment), we obtained granted us an exclusive, worldwide license under the licensed patents to research, develop, make, have made and commercialize products containing oligonucleotides targeting three families of viruses: Orthomyxoviridae, Paramyxoviridae, and Coronaviridae (a family which includes SARS-CoV-2).

Pursuant to As consideration for theLuxna Agreement, amended license agreement, we paid Luxna an upfront license fee of $0.6 million and pursuant to the Luxna Amendment, we paid Luxna an additional a one-time non-refundable fee of $0.2 million. Additionally, we agreed in April 2020.

We are obligated to pay make payments to Luxna, in aggregate, totaling up to an aggregate of but no more than $55.5 million upon the achievement of specified development, regulatory, and commercial milestones. During the year twelve months ended December 31, 2022, we did not recognize any milestone payments. During the year ended December 31, 2021, December 31, 2023 and 2022, we recognized $0.5 million no expenses related to milestone payments relating to ALG-

020572. payments. We are also agreed required to pay Luxna tiered royalties on worldwide annual net sales of licensed products, on a product-by-product basis, spanning a range of rates within low-single digit percentages, royalty percentage on a quarterly basis. With respect to each licensed product, our obligation to pay royalties will continue until net sale of applicable products, if any. During the expiration of the last-to-expire licensed patent covering such licensed product in any country. twelve months ended December 31, 2023 and 2022, we made no payments associated with royalties.

Luxna's rights to the intellectual property subject to the Luxna Agreement stem from an exclusive license (the Luxna-Osaka Agreement) from Osaka University (Osaka) for certain rights pertaining to modifications of XNA and other gapmer technologies covered by the licensed patents. Separately, Osaka granted rights to certain third parties in connection with the licensed patents, such as rights to amido-bridged nucleic acid (AmNA) for specific indications including NASH, MASH, rights to manufacture reagents containing the modifications of AmNA and rights to use specified genes. Such rights are not included in the scope of rights granted to us under the Luxna Agreement and the Luxna Agreement does not prevent Osaka from using any of the licensed rights under the Luxna Agreement for its non-commercial research purposes relating to the modifications of XNA.

Ownership of any new inventions arising out of our activities under the Luxna Agreement will follow the inventorship laws of the United States. Luxna retains the responsibility for the prosecution and maintenance of the licensed patents, provided that Luxna consider our comments and suggestions in connection therewith. We retain step-in rights should Luxna decide to no longer prosecute or maintain any licensed patents under the Luxna Agreement. We have the first right, but not the obligation, at our sole expense to enforce the licensed patents. In connection with any infringement suit, neither party can enter into a settlement without the prior written consent of the other.

The Luxna Agreement will expire upon expiration of the last-to-expire patent licensed to us under the agreement. We may terminate the Luxna Agreement at any time for convenience by providing Luxna with 90 days' written notice. In addition, we have agreed to terminate the Luxna Agreement if we make a final decision to cease research, development or commercialization of the licensed products. Either party may terminate the Luxna Agreement if the other party materially breaches the Luxna Agreement and fails to timely cure such breach. The Luxna Agreement will automatically terminate if we become bankrupt or insolvent.

We have agreed to indemnify Luxna and certain others under the Luxna Agreement for losses they may suffer arising out of the rights licensed thereunder or the manufacturing, testing, design, use, sale or labeling of any product containing a licensed product, unless caused by such potential indemnitee's negligence.

Agreement with Katholieke Universiteit Leuven (KU Leuven)

On June 25, 2020, we entered into a Research, Licensing and Commercialization Agreement (KU Leuven Agreement) with KU Leuven, under which we are collaborating with KU Leuven's Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery, CD3, to research and develop potential protease inhibitors for the treatment, diagnosis or prevention of coronaviruses, including of SARS-CoV-2. Unless terminated earlier by either party in accordance with provisions in the agreement, the collaboration period is set to will terminate at the earlier of completion of all collaboration activities or 2.5 years. In connection with the KU Leuven Agreement, we and KU Leuven and our Company granted each other exclusive cross-licenses to use certain know-how and existing patents of the other party as well as certain joint know-how and joint patents to carry out research and development collaboration activities during the collaboration period. As of December 2022, the original collaboration period has expired. An amendment to the agreement was agreed in July 2023 to include a new collaboration plan. KU Leuven granted to us an exclusive (including as to KU Leuven), worldwide license under certain of KU Leuven's know-how and existing patents, and certain joint patents and joint know-how, to manufacture and commercialize the licensed products for the treatment, diagnosis or detection of viral infections in humans. KU Leuven reserved the right to use all KU Leuven knowhow, existing KU Leuven patents, joint patents and joint know-how for academic and non-commercial research and teaching purposes.

As consideration for this license, we are obligated to make payments to KU Leuven, in aggregate, totaling up to but no more than $30.0 million upon the achievement of certain commercial sales milestones. For each licensed product developed through KU Leuven and the Company's our collaborative effort, the Company is we are obligated to make payments to KU Leuven, in aggregate, totaling up to $32.0 million upon the achievement of certain development

and regulatory milestones. The Company is We are also required to pay KU Leuven a low-to-mid-single digit royalty percentage, subject to certain adjustments, on net sales of applicable products, if any. We are also required to pay a share of upfront transaction consideration received to KU Leuven should the program be partnered with an external party. Unless terminated earlier by either party, the agreement shall continue until the expiration of the last to expire royalty term, which is the later of the expiration or termination of the last valid patent claim covering the manufacture, use, sale or importation of the licensed product in a particular country or 10 years after the first commercial sale of a licensed product.

License During the year ended December 31, 2023, we recognized and Research Collaboration with Merck

In December 2020, we entered into an exclusive License and Research Collaboration Agreement with Merck under which Merck and Aligos will apply our oligonucleotide platform technology paid $2.0 million related to discover, research, optimize and develop oligonucleotides directed against a NASH target and up to one additional liver-targeted cardiometabolic and/or fibroses target.

In January 2022, we entered into an amendment to such License and Research Collaboration Agreement, which expanded our collaboration to include a license to Merck of an early-stage program directed to a second undisclosed NASH target on which we had previously been working independently and separately from Merck. In addition, under this expanded arrangement, Merck has the right to add a third target of interest milestone payments due to the collaboration. This third

target, if added, will be for a liver-based cardiometabolic/fibrosis target. Such right to add a third target to the collaboration expired in January 2023.

Under the terms first dosing of the original agreement, we received an upfront payment from Merck. Under the amendment, we received first patient in a payment from Merck to carry out the research program for the second undisclosed NASH target. With respect to each collaboration target, we will be eligible to receive up to approximately $460 million in development and commercialization milestones as well as tiered royalties on net sales. We will be primarily responsible for designing, preparing and evaluating the oligonucleotide molecules and delivering optimized lead molecules, and Merck will be responsible for subsequent research, Phase 1 clinical development and commercialization efforts.

Merck has the right to terminate the License and Research Collaboration Agreement in its entirety or on a target-by-target basis at any time by giving us 90 days' written notice. From the time Merck assumes responsibility for subsequent research until achievement of a certain regulatory event, we may terminate the License and Research Collaboration Agreement if Merck ceases all development activities for a specified period and fails to resume such activities within a reasonable time after we provide them with a resumption notice. Either party may terminate the License and Research Collaboration Agreement upon the other party's uncured material breach or insolvency. Upon termination for any reason other than our material breach, we will have the right to acquire from Merck the products and compounds being developed or commercialized by Merck under the License and Research Collaboration Agreement. Good faith negotiations between the Company and Merck would be performed to enact a transition plan.

In February 2023, Merck provided the Company written notice of termination for one of the targets trial. No milestone payments were made in the collaboration. year ended December 31, 2022.

Intellectual property

One key to our success is our ability to establish and maintain protection for our drug candidates, platform technology and know-how, in order to enforce and defend our intellectual property rights. To protect our drug candidates and technologies, we file U.S., Patent Cooperation Treaty (PCT) and foreign patent applications related to our inventions, improvements, manufacturing and analytical processes and technology. We also rely on our know-how, confidential methodologies and processes and continuing technological innovation as well as our active third-party intellectual property in-licensing program to develop and maintain our proprietary positions, in addition to trademarks, copyrights and trade secret laws, and employee disclosure and invention assignment agreements. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees, advisors and consultants, these agreements may be breached, and we may not have adequate remedies for any breach. In addition, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. As a result, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual or

entity during the course of the party's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions conceived of by the individual during the course of employment, and which relate to or are reasonably capable or being used in our current or planned business or research and development, are our exclusive property. In addition, we take other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of our proprietary technology by third parties. However, such agreements and policies may be breached, and we may not have adequate remedies for such breaches. For more information regarding the risks related to our intellectual property, see the section titled "Risk Factors—Risks related to intellectual property."

We have licensed patents and patent applications from various entities, including Emory, Luxna and AM Chemicals, which are further described below. Regarding our internal owned patent portfolio, as of December 31, 2022 December 31, 2023, we own 8 22 issued U.S. patents, 38 27 U.S. non-provisional patent applications, 21 6 U.S. provisional patent applications (excluding any non-expired U.S. provisional applications to which priority has already been claimed), 21 17 PCT applications, 2 issued foreign patents and 284 269 foreign patent applications, including pending applications in the Arab Emirates, ARIPO, Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Eurasia, Egypt, European Union, the EU, Georgia, Indonesia, Israel, India, Japan, South Korea, Malaysia, Mexico, New Zealand, OAPI, Peru, Philippines, Russian Federation, Singapore, Thailand, Taiwan, Ukraine, Uzbekistan and South Africa. The projected expected expiration date dates of our issued patents are between 2039 and 2042, and any patent patents that issues issue from our non-provisional U.S. and foreign patent applications is are expected to expire between 2039 to 2043, excluding any additional term from a potential potentially available patent term extension extensions and/or patent term adjustment. adjustments.

For our drug candidates, we have filed and licensed certain patent applications and we generally intend to pursue patent protection covering compositions of matter, methods of making, and methods of use. use of such drug candidates. As of December 31, 2022 December 31, 2023, we own 5 U.S. patents with claims directed to ALG-000184, ALG-055009, ALG-125755 and ALG-055009. ALG-097558.

Licensed intellectual property

Emory University

We have licensed the exclusive rights to a patent estate from Emory in the CAM-E chemical space, consisting of one two issued U.S. patent, two patents, one pending nonprovisional non-provisional U.S. patent applications application as well as 11 13 issued foreign patents and 30 29 foreign patent applications. The issued U.S. patent has an expected expiration date of March 2037, and any patents that issue from our non-provisional U.S. and foreign patent applications are expected to

expire between 2037 and 2041, excluding any potential potentially available patent term extension extensions or adjustment. adjustments.

Luxna

We have licensed the right rights to a patent estate from Luxna in the oligonucleotide chemical space, consisting of five six issued U.S. patents, two nonprovisional one non-provisional U.S. patent applications application and 17 15 issued foreign patents and five four foreign patent applications. We have exclusive rights to use this technology in the development of drug candidates for CHB, as well as rights to certain named targets in NASH MASH and respiratory diseases, including coronaviruses. These The issued U.S. patents have an are expected expiration to expire between October 2030 and February 2037, 2038, and any patents that issue from our non-provisional U.S. and foreign patent applications are expected to expire between 2035 and 2038, excluding any potential potentially available patent term extension extensions or adjustment. adjustments.

AM Chemicals

We have licensed the exclusive right rights to the use of specific oligonucleotide constructs encompassed by the patent estate from AM Chemicals, including two issued U.S. patents, and three foreign patent applications. The issued U.S. patents have an expected expiration date of July 2037, and any patents that issue from the foreign patent applications are expected to expire in 2037, excluding any potential potentially available patent term extension extensions or patent term adjustment. adjustments.

Drug candidate intellectual property

NASH— MASH—ALG-055009 and additional potential drug candidates

We own a patent family that includes one issued U.S. patent, one U.S. non-provisional application, one U.S. provisional application and 30 foreign applications across multiple jurisdictions, and which have claims directed to compositions of matter, formulations and method of use including for ALG-055009, our lead drug candidate for the treatment of NASH, and methods of use. This MASH. These patent family families also discloses disclose combination therapies with our lead molecule. US 11091467 Our issued U.S. Patent 1,1091,467

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is our issued US patent, and it is projected expected to expire in May 2040, and any patents that issue from our non-provisional U.S. and foreign patent applications are expected to expire between 2040 and 2043, excluding any potential potentially available patent term extension extensions or patent term adjustment. We also own patent families that

includes two U.S. provisional applications relating to ALG-055009 and related matter, which if filed as a non-provisional application and granted would expire in July and August 2042, excluding any potential patent term extension or patent term adjustment.

Coronaviruses – ALG-097558 and additional potential drug candidates

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We own a patent family that includes three applications across multiple jurisdictions, which have claims to compositions of matter, including ALG-097558, our lead drug candidate for the treatment of coronavirus, and methods of use. This patent family also discloses combination therapies with our lead molecule.adjustments.

Hepatitis B—ALG-000184 and additional potential drug candidates

We own a patent family that includes one two issued U.S. patents, one non-provisional U.S. patent application, and 30 31 applications pending across multiple jurisdictions and that have claims directed to composition of matter, including for ALG-000184 (our lead CAM-E molecule), pharmaceutical composition and method of use claims. This patent family also includes claims directed to combination treatment with our lead molecule with other modes of action drugs and drug candidates directed against CHB. Our issued U.S. Patent 11191747 is Patents 11,191,747 and 11,771,680 are projected to expire in April 2040, and any patents that issue from our non-provisional U.S. and foreign patent applications are expected to expire in 2040, excluding any potential potentially available patent term extension extensions or adjustment. adjustments.

Hepatitis B—ALG-125755 and additional potential drug candidates

We own a patent family that includes 32 one issued U.S. Patent, three non-provisional U.S. patents and 30 foreign patent applications pending across multiple jurisdictions (including three in the United States), that have claims directed to compositions of matter, including ALG-125755, our lead siRNA candidate, and methods of use. This patent family also discloses combination therapies with our lead molecule. We received a notice of allowance for a Our issued U.S. patent application on August 30, 2022. The U.S. patent that issues from our allowed application 11,549,110 is projected to expire in March 2041, and any patents that issue from our non-provisional U.S. and foreign patent applications are expected to expire in 2041, excluding any additional term from a potential patent term extension and/or adjustment.

Coronaviruses—ALG-097558 and additional potential drug candidates

We own a patent family that includes two issued U.S. patents, one non-provisional U.S. application, one PCT application and one foreign application all of which have claims directed to compositions of matter and method of use, including for ALG-097558, our lead drug candidate for the treatment of coronavirus. This patent family also discloses combination therapies with our lead molecule. Our issued U.S patent 11,851,422 expires in 2042, and any patents that issue from our non-provisional U.S. and foreign patent applications are expected to expire in 2042, excluding any potentially available patent term adjustment. extensions or adjustments.

Discovery pipeline intellectual property

NASH MASH

We have filed four issued U.S. patents, two U.S. non-provisional patent applications four PCT patent applications, one U.S. provisional application and six 35 foreign patent applications that include claims directed to compositions of matter and methods of use with our additional drug candidates for the treatment of NASH. MASH. These U.S. provisional applications also disclose combination therapies with our drug candidates and other compounds for treating NASH. Any patent that issues from a non-provisional application claiming in one of these patent families is projected MASH. Our issued patents are expected to expire in 2042, excluding 2041, and any potential patent term extension or patent term adjustment.

Coronaviruses

We have filed seven patents that issue from our non-provisional U.S. nonprovisional patent applications, four U.S. provisional patent applications, and 27 foreign applications that include claims to compositions of matter, pharmaceutical compositions and methods of use for treating coronaviruses. This includes multiple applications covering both small molecule and oligonucleotide approaches. Some of these applications are co-owned by Aligos and a collaborator. These patent families also include disclosure relating to combination therapy strategies for treating coronaviruses. Any patent that issues from a non-provisional patent application in one of these patent families is projected to expire in 2041, to 2042, excluding any potential potentially available patent term extension extensions or patent term adjustment. adjustments.

Hepatitis B

We own multiple additional patent families of applications that include claims directed to compositions of matter, pharmaceutical compositions and methods of use for the treatment of CHB with our additional drug candidates. This includes three These families include six issued U.S. patents, nine five U.S. non-provisional patent applications, eight one U.S. provisional patent applications, seven application, four PCT patent applications and 81 40 foreign patent applications in the small molecule space and six four issued U.S. patents, eight U.S. non-provisional patent applications, one U.S. provisional application, two three PCT patent applications and seven 65 foreign patent applications in the oligonucleotide space. These patent families also disclose combination therapies with our drug candidates and other compounds for treating CHB. Any Our issued patents and any patents that issue from our U.S. non-provisional or foreign patent that issues from a non-provisional application applications in one of these patent families is projected are expected to expire in between 2040 to 2043, excluding any potentially available patent term extensions or patent term adjustments.

Coronaviruses

We have one allowed U.S. patent application, four U.S. non-provisional patent applications, four PCT applications and 22 foreign applications that include claims directed to compositions of matter, pharmaceutical compositions, and methods of use for treating coronaviruses. Some of these applications are co-owned by Aligos

and a collaborator. These patent families also include disclosures relating to combination therapy strategies for treating coronaviruses. Any patents that issue from our U.S. non-provisional and foreign patent applications are expected to expire from 2041 to 2042, excluding any potential potentially available patent term extension extensions or patent term adjustment. adjustments.

With respect to both our licensed and our owned intellectual property, we cannot be sure that patents will be granted with respect to any of our pending patent applications or with respect to any patent applications filed by us in the future, nor can we be sure that any current patents or any patents that may be granted to us in the future will be commercially useful in protecting our platforms and drug candidates and the methods used to manufacture them. Moreover, the time required for development, testing and regulatory review of our candidate drug candidates may

shorten the length of effective patent protection following commercialization. If we do obtain any patents for our drug candidates, the term of such patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing of a non-provisional patent application. In the United States, the patent term of a patent that covers an FDA approved drug or biologic may also be eligible for patent term extension, which permits patent term restoration as compensation for the patent term lost during FDA regulatory review process. The Hatch-Waxman Act permits a patent term extension of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time that the drug or biologic is under regulatory review. 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 one patent applicable to an approved drug or biologic may be extended. Similar provisions are available in the EU and other foreign jurisdictions to extend the term of a patent that covers an approved drug or biologic. In the future, if our drug candidates receive FDA approval and if our patent applications relating to such drug candidates issue as patents, we expect to apply for patent term extensions where applicable on patents covering those drugs. We plan to seek patent term extensions to any of our future issued patents in any jurisdiction where these are available, however there is no guarantee that the applicable authorities, including FDA in the United States, will agree with our assessment of whether these extensions should be granted, and if granted, the length of these extensions. For this and other risks related to our proprietary technology, inventions, improvements, platforms and product candidates, see the section titled “Risk Factors—Risks related to intellectual property.”

Trademarks

Our trademark portfolio contains several trademark applications and registrations, including U.S. and foreign, as of December 31, 2022 December 31, 2023. The trademark portfolio includes the mark ALIGOS which is registered in the United States, Australia, the European Union, EU, Great Britain, and Japan, and is pending in China.

Government regulation and product approval

Government regulation

The FDA and other regulatory authorities at the federal, state, and local level, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling,

marketing and promotion, distribution, post-approval monitoring and reporting, sampling, and import and export of pharmaceutical products, such as those we are developing. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

U.S. drug regulation

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act (the FDCA), and its implementing regulations. FDA approval is required before any new unapproved drug can be marketed in the United States. Drugs are also subject to other federal, state and local statutes and regulations. Failure to comply with applicable FDA or other requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA clinical holds, refusal to approve pending applications, withdrawal of an approval, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

The process required by the FDA before drug candidates may be marketed in the United States generally involves the following:

- completion of nonclinical laboratory tests and animal studies, where all supporting safety and toxicity studies are performed in accordance with the FDA's Good Laboratory Practice (GLP) regulations;
- submission to the FDA of an investigational new drug application (IND), which must become effective before human clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent institutional review board (IRB), representing each clinical site before a clinical trial may initiated;

- performance of adequate and well-controlled human clinical trials in accordance with good clinical practice (GCP) regulations to establish the safety and efficacy of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a new drug application (NDA);
- a determination by the FDA within 60 days of its receipt of an NDA to file the application for review;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility(ies) where the product is manufactured to assess compliance with current good manufacturing practice (cGMP) regulations, and of selected

clinical investigation sites to assess compliance with GCP; and

- FDA review and approval of an NDA to permit commercial marketing of the product for its particular labeled uses in t United States.

Nonclinical and clinical studies

The nonclinical and clinical testing process can take many years and the actual time required to obtain approval, if any, may vary substantially based upon the type, complexity and novelty of the drug or condition being treated.

Nonclinical tests include laboratory (in vitro) evaluation of drug chemistry, formulation and toxicity, as well as animal (in vivo) studies to assess the characteristics and potential safety and efficacy of the drug candidate. The conduct of nonclinical studies that provide safety and toxicological information must comply with federal regulations and requirements, including GLPs. The results of nonclinical studies are submitted to the FDA as part of an IND along with other information, including information about drug CMC and any available human data or literature to support use of the drug in humans. Long-term nonclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

The central focus of an IND submission is on the general investigational plan and the protocol(s) for human studies. An IND must become effective before human clinical trials may begin. An IND will automatically become effective 30 days after receipt by the FDA unless, before that time, the FDA raises concerns or questions related to the proposed clinical trials. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before clinical trials can begin.

For each successive clinical trial conducted with the investigational drug, a separate, new protocol submission to an existing IND must be made, along with any subsequent changes to the investigational plan. Sponsors are also subject to ongoing reporting requirements, including submission of IND safety reports for any serious adverse experiences associated with use of the investigational drug or findings from nonclinical studies suggesting a significant risk for human subjects, as well as IND annual reports on the progress of the investigations conducted under the IND.

Clinical trials involve the administration of the investigational drug 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 participation in each clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the trial, the parameters to be used in monitoring safety and the efficacy

criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. Additionally, approval must also be obtained from each clinical trial site's IRB before a trial may be initiated at the site, and the IRB must monitor the trial until completed. Sponsors of clinical trials generally must register and report ongoing clinical trials and clinical trial results to public registries, including the website maintained by the U.S. National Institutes of Health, ClinicalTrials.gov.

For purposes of NDA approval, human clinical trials are typically divided into three or four phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

- ***Phase 1.*** The drug is initially introduced into healthy human subjects or into patients with the target disease or condition. These studies are designed to evaluate the safety, dosage tolerance, metabolism

and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and if possible, gain early evidence of effectiveness.

- ***Phase 2.*** The drug is administered to a limited patient population to evaluate tolerance and optimal dose, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy. Multiple Phase 2 trials may be conducted to obtain additional data prior to beginning Phase 3 trials.
- ***Phase 3.*** The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites to generate enough data to statistically evaluate dosage, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational drug and to provide an adequate basis for drug approval.
- ***Phase 4.*** In some cases, the FDA may provide conditional approval of an NDA for a drug candidate on the sponsor's agreement to conduct additional clinical trials after approval. In other cases, a sponsor may voluntarily conduct additional clinical trials after approval to gain more information about the drug. Such post-approval trials are typically referred to as Phase 4 clinical trials.

The FDA, the IRB or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. The sponsor may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

Concurrent with clinical trials, companies may complete additional in vivo studies and develop additional information about the characteristics of the drug candidate. Companies must also finalize a process for manufacturing the drug in commercially applicable quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the drug and, among other things, must use validated methods for testing the drug against specifications to confirm its identity, strength, quality and purity. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the drug does not undergo unacceptable deterioration over its shelf life.

Submission of an NDA to the FDA

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development and testing are submitted to the FDA in the form of an NDA requesting approval to market the drug for one or more indications. The submission of an NDA requires payment of a substantial application user fee to the FDA, unless a waiver or exemption applies.

An NDA must include all relevant data available from pertinent nonclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the drug's chemistry, manufacturing, controls and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of the drug for a specific use, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the drug to the satisfaction of the FDA.

The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an application for filing. In this event, the application must be resubmitted with the additional information and is subject to payment of additional user fees.

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 substantive review. Under applicable Prescription Drug User Fee Act (PDUFA) performance goals, the FDA endeavors to review NDAs for drugs containing new molecular entities within ten months of the 60-day filing date under standard review or within six months of the 60-day filing date under priority review.

The FDA may refer applications for novel drug products or drug products which present difficult questions of safety or efficacy to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the drug 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 are adequate to assure consistent production of the drug within required specifications. Additionally,

the FDA will typically inspect one or more clinical sites to assure that relevant trial data was obtained in compliance with GCP requirements.

After the FDA evaluates the NDA and conducts inspections of manufacturing facilities, it may issue an approval letter or a complete response letter. A complete response letter indicates that the review cycle of the application is complete, and the application is not ready for approval. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. Even with submission of this additional information, the FDA may ultimately decide that an application does not satisfy the regulatory criteria for approval. If, or when, the deficiencies have been addressed to the FDA's satisfaction in a resubmission of the application, the FDA will issue an approval letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications.

As a condition of NDA approval, the FDA may require a Risk Evaluation and Mitigation Strategy (REMS) program to help ensure that the benefits of the drug outweigh its risks. If the FDA determines a REMS program is necessary, the drug sponsor must develop and submit a REMS as part of its NDA prior to approval. A REMS program may be required to include various elements, such as a medication guide or patient package insert, a communication plan to educate healthcare providers of the drug's risks, or other elements to assure safe use, such as limitations on who may prescribe or dispense the drug, dispensing only under certain circumstances, special monitoring and the use of patient registries. In addition, all REMS programs must include a timetable to periodically assess the strategy following implementation.

Further, the FDA may require substantial post-approval testing and surveillance as a condition of NDA approval to monitor the drug's safety and efficacy, and the FDA has the authority to prevent or limit further marketing of a product based on the results of these post-marketing programs. Once granted, product approvals may be withdrawn if compliance with regulatory requirements is not maintained or problems are identified following initial marketing. Moreover, changes to the conditions established in an approved application, including changes in indications, labeling or manufacturing processes or facilities may require submission and FDA approval of a new NDA or NDA supplement before the changes can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that supporting the original approval, and the FDA uses similar procedures in reviewing supplements as it does in reviewing original applications.

Expedited development and review programs

The FDA offers a number of expedited development and review programs for qualifying drugs, one or more of which may be available for our current or future drug candidates.

New drug candidates are eligible for fast track designation if they are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast track designation applies to the combination of the drug and the specific indication for which it is being studied. The sponsor of a fast track drug candidate has opportunities for frequent interactions with the review team during drug development and, once an NDA is submitted, the drug candidate may be eligible for priority review. A fast track drug candidate may also be eligible for rolling review, where the FDA may consider for review sections of the NDA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the NDA, the FDA agrees to accept sections of the NDA and

determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the NDA.

A drug candidate intended to treat a serious or life-threatening disease or condition may also be eligible for breakthrough therapy designation to expedite its development and review. A drug candidate can receive breakthrough therapy designation if preliminary clinical evidence indicates that the drug candidate may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the fast track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the drug candidate, including involvement of senior managers.

After an NDA is submitted for a drug candidate, including a drug candidate with a fast track designation and/or breakthrough therapy designation, the NDA may be eligible for priority review. An NDA is eligible for priority review if it has the potential to provide a significant improvement in the treatment, diagnosis or prevention of a serious disease or condition compared to marketed products. Depending on whether a drug candidate contains a new molecular entity, priority review designation means the FDA's goal is to take an action on the marketing application within six to eight months of the 60-day filing date, compared with ten to twelve months under standard review.

Additionally, drug candidates studied for their safety and effectiveness in treating serious or life-threatening diseases or conditions may receive accelerated approval upon a determination that the drug candidate 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 trials to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. In addition, the FDA currently requires, as a condition for accelerated approval, pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the drug.

Orphan drug designation

We may pursue orphan drug designation for one or more of our current or future drug candidates, as appropriate, with the potential to obtain orphan drug exclusivity for our products, if approved.

Under the Orphan Drug Act, the FDA may grant orphan designation to a drug 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 for this type of disease or condition will be recovered from sales in the United States for that drug. Orphan drug designation must be requested before submitting an NDA. After the FDA grants orphan drug 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 shorten the duration of, the regulatory review or approval process.

If a drug that has orphan drug designation subsequently receives the first FDA approval for the disease for which it has such designation, the drug is entitled to orphan drug exclusive approval (or exclusivity), which means that the FDA may not approve any other applications, including a full NDA, to market the same drug for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the drug with orphan drug exclusivity. Orphan drug exclusivity does not prevent the FDA from approving a different drug for the same disease or condition, or the same drug 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 application user fee.

A designated orphan drug may not receive orphan drug 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 drug to meet the needs of patients with the rare disease or condition.

Under the Pediatric Research Equity Act, certain NDAs and certain supplements to an NDA must contain data to assess the safety and efficacy of the drug 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 pediatric data or full or partial waivers. The Food and Drug Administration Safety and Innovation Act amended the FDCA to require that a sponsor who is planning to submit an NDA for a drug that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan (iPSP), within 60 days of an end-of-Phase 2 meeting or, if there is no such meeting, as early as practicable before the initiation of a Phase 3 or Phase 2/3 study. The iPSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a

justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the

requirement to provide data from pediatric studies along with supporting information. The FDA and the sponsor must reach an agreement on the iPSP. A sponsor can submit amendments to an agreed-upon iPSP at any time if changes to the pediatric plan need to be considered based on data collected from nonclinical studies, early phase clinical trials and/or other clinical development programs.

A drug product can also obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods and patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection or patent term, may be granted based on the voluntary completion of a pediatric study in accordance with an FDA-issued “Written Request” for such a study.

Post-approval requirements

Once an NDA is approved, a drug will be subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to drug listing and registration, recordkeeping, periodic reporting, product sampling and distribution, adverse event reporting and advertising, marketing and promotion. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling. While physicians may prescribe for off-label uses, manufacturers may only promote for the approved indications and in accordance with the provisions of the approved label. However, companies may share truthful and not misleading information that is otherwise consistent with a product’s FDA approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

After approval, most changes to the approved drug, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing user fee requirements, under which FDA assesses an annual program fee for each drug identified in an approved NDA. In addition, quality-control, drug manufacture, packaging and labeling procedures must continue to conform to cGMPs after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced and announced inspections by the FDA and these state agencies, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon manufacturers and their subcontractors, if applicable. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval of a drug if compliance with regulatory requirements is not maintained or if problems occur after the drug reaches the market. Later discovery of previously unknown problems with a drug, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market

studies or clinical trials to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a drug, complete withdrawal of the drug from the market or drug recalls;
- fines, warning or untitled letters or holds on post-approval clinical studies;

- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing drug approvals;
- drug seizure or detention, or refusal of the FDA to permit the import or export of drugs; or
- injunctions or the imposition of civil or criminal penalties.

The FDA may also require post-approval studies and clinical trials if the FDA finds that scientific data, including information regarding related drugs, deem it appropriate. The purpose of such studies would be to assess a known serious risk or signals of serious risk related to the drug or to identify an unexpected serious risk when available data indicate the potential for a serious risk. The FDA may also require a labeling change if it becomes aware of new safety information that it believes should be included in the labeling of a drug.

International regulation

In addition to regulations in the United States, we are subject to certain and could become subject to a variety of additional foreign regulations regarding development, approval, commercial sales and distribution of our drugs if we seek to market our drugs (if approved) in other jurisdictions. Whether or not we obtain FDA approval for a drug candidate, we must obtain the necessary approvals by the comparable regulatory authorities of foreign countries before we can commence clinical trials or marketing of the drug in those countries. The approval process varies from country to country and can involve additional drug testing and additional review periods, and the time may be longer or shorter than that required to obtain FDA approval. The requirements governing, among other things, the conduct of clinical trials, drug licensing, pricing and reimbursement vary greatly from country to country. Regulatory approval in one country does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country may negatively impact the regulatory process in others. If we fail to comply with applicable foreign regulatory requirements, we may be subject to fines, suspension or withdrawal of regulatory approvals, drug recalls, seizure of drugs, operating restrictions and criminal prosecution.

Other U.S. healthcare laws and compliance requirements

Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business. In the United States, such laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims, price reporting, and transparency laws and regulations regarding drug pricing and payments and other transfers of value made to physicians and other healthcare providers. Violation of any of such laws or any other governmental regulations that apply may result in significant penalties, including, without limitation, administrative civil and criminal penalties, damages, disgorgement fines, additional reporting requirements and oversight obligations, contractual damages, the curtailment or restructuring of operations, exclusion from participation in governmental healthcare programs and imprisonment.

Pharmaceutical coverage, pricing and reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of any drug candidates for which we or our collaborators obtain regulatory approval. In the United States and markets in other countries, sales of any drugs for which we or our collaborators receive regulatory approval for commercial sale will depend, in part, on the extent to which third-party payors provide coverage, and establish adequate reimbursement levels for such drug products.

In the United States, third-party payors include federal and state healthcare programs, government authorities, private managed care providers, private health insurers, and other organizations. Third-party payors are increasingly challenging the price, examining the medical necessity and reviewing the cost-effectiveness of medical drug products and medical services, in addition to questioning their safety and efficacy. Such payors may limit coverage to specific drug products on an approved list, also known as a formulary, which might not include all of the FDA-approved drugs for a particular indication. We or our collaborators may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our drugs, in addition to the costs required to obtain the FDA approvals. Nonetheless, our drug candidates may not be considered medically necessary or cost-effective. A payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage for the drug product.

Moreover, the process for determining whether a third-party payor will provide coverage for a drug product may be separate from the process for setting the price of a drug product or for establishing the reimbursement rate that such a payor will pay for the drug product. For drugs administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs. Additionally,

separate reimbursement for the drug itself or the treatment for which the drug is used may not be available, which may impact physician utilization. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in drug development.

Different pricing and reimbursement schemes exist in other countries. In Europe, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and control of national health care systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which drugs may only be marketed once a reimbursement price has been agreed. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost-effectiveness of a particular drug candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on health care costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new drugs. In addition, in some countries, cross-border imports from low-priced markets exert a commercial pressure on pricing within a country.

The marketability of any drug candidates for which we or our collaborators receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased and we expect will continue to increase the pressure on pharmaceutical pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more drug candidates for which we or our collaborators receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Healthcare reform

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and other third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medical products and services, implementing reductions in Medicare and other healthcare funding and applying new payment methodologies. For example, in March 2010, the Affordable Care Act, or ACA was enacted, which affected existing government healthcare programs and resulted in the development of new programs.

Among the ACA's provisions of importance to the pharmaceutical industry, in addition to those otherwise described above, are the following:

- an annual, nondeductible fee on any entity that manufactures or imports certain specified branded prescription drugs and biologic agents apportioned among these entities according to their market share in some government healthcar programs;
- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program to 23.1% and 13% of the average manufacturer price for most branded and generic drugs, respectively, and a cap on tl total rebate amount for innovator drugs at 100% of the Average Manufacturer Price (AMP);
- a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% point-of-sa discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, a condition for the manufacturers' outpatient drugs to be covered under Medicare Part D;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;

- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid covera to additional individuals, including individuals with income at or below 133% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;

- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clini effectiveness research, along with funding for such research.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order initiating a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare.

Other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, included aggregate reductions to Medicare payments to providers, which went into effect on April 1, 2013, and will remain in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. In addition, in January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. In addition, the American Rescue Plan Act of 2021 was signed into law, which eliminates the statutory Medicaid drug rebate cap, currently set beginning January 1, 2024. The rebate was previously capped at 100% of a drug's average manufacturer price beginning January 1, 2024.

There has also been heightened governmental scrutiny recently over the manner in which pharmaceutical companies set prices for their marketed products, which has resulted in several Congressional inquiries and proposed federal legislation, as well as state efforts, designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. Most recently, on August 16, 2022, the Inflation Reduction Act of 2022 (the IRA) was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes

rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services (HHS) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the drug price negotiation program is currently subject to legal challenges. For that and other reasons, it is currently unclear how the IRA will be effectuated.

We anticipate that these new laws will result in additional downward pressure on coverage and the price that we receive for any approved drug, and could seriously harm our business. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our drugs (if approved). In addition, it is possible that there will be further legislation or regulation that could harm our business, financial condition, and results of operations.

Data privacy and security

We may also be subject to federal, state and foreign data privacy and security laws and regulations. In the United States, numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws and regulations (e.g., Section 5 of the FTC Act), govern the collection, use, disclosure, and protection of health-related and other personal information and could apply to our operations or the operations of our partners. In addition, certain foreign laws govern the privacy and security of personal data, including health-related data. Privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other to complicate compliance efforts, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

Employees and human capital resources

As of December 31, 2022 December 31, 2023, we had 83 66 full-time employees, including 66 52 employees engaged in research and development. None of our employees are represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain

and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards.

Corporate information

We were founded in February 2018 as a Delaware corporation. Our principal executive offices are located at One Corporate Dr., 2nd Floor, South San Francisco, California 94080, and our telephone number is (800) 466-6059.

Our website address is www.aligos.com. We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Securities Exchange Act of 1934, as amended, or the Exchange Act. These include our annual reports on Form 10-K, our quarterly reports on Form 10-Q, and our current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act. We make this information available on or through our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. References to our website address do not constitute incorporation by reference of the information contained on the website, and the information contained on the website is not part of this document or any other document that we file with or furnish to the SEC. The SEC maintains a site on the worldwide web that contains reports, proxy and information statements and other information regarding our filings at www.sec.gov.

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. Many of the following risks and uncertainties are, and will be, exacerbated by the coronavirus pandemic (COVID-19) and any worsening of the global business and economic environment as a result. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations and the market value of our common stock.

Risks related to our limited operating history, financial position and need for additional capital

We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale. We have incurred significant losses since inception. We expect to incur losses for at least the next

several years and may never achieve or maintain profitability, which, together with our limited operating history, makes it difficult to assess our future viability.

Biopharmaceutical product development is a highly speculative undertaking and involves a substantial degree of risk. We are a clinical-stage biopharmaceutical company, and we have only a limited operating history upon which you can evaluate our business and prospects. We currently have no products approved for commercial sale, have not generated any revenue from sales of products and have incurred losses in each year since our inception in February 2018. In addition, we have limited experience as a company and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical industry.

Since inception, we have incurred significant net losses. Our net losses were $87.7 million for the year ended December 31, 2023 and $96.0 million for the year ended December 31, 2022 and $128.3 million for the year ended December 31, 2021. As of December 31, 2022 December 31, 2023, we had a total stockholders' equity of $103.9 million $92.1 million. We have funded our operations to date primarily with proceeds from the sale of common stock, preferred stock and convertible notes. To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, acquiring and discovering development programs, securing intellectual property rights and conducting discovery, research and development activities for our programs. We have not yet demonstrated our ability to successfully complete any clinical trials, including pivotal clinical trials, obtain marketing approvals, manufacture a commercial-scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Our drug candidates will require substantial additional development time and resources before we will be able to apply for or receive regulatory approvals and, if approved, begin generating revenue from product sales. We may continue to incur significant expenses and operating losses for the foreseeable future.

We have never generated revenue from product sales and may never be profitable.

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with our collaboration partners, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, our drug candidates. We do not anticipate generating revenue from product sales for the next several years, if ever. Our ability to generate revenue from product sales depends heavily on our and our current and potential future collaborators' success in:

- completing clinical and nonclinical development of drug candidates and programs and identifying and developing ne drug candidates;
- seeking and obtaining marketing approvals for any drug candidates that we develop;
- launching and commercializing drug candidates for which we obtain marketing approval by establishing a sales force marketing, medical affairs and distribution infrastructure or, alternatively, collaborating with a commercialization partn
- achieving adequate coverage and reimbursement by third-party payors for drug candidates that we develop;

- establishing and maintaining supply and manufacturing relationships with third parties that can provide adequate, in amount and quality, products and services to support clinical development and the market demand for drug candidat that we develop, if approved;
- obtaining market acceptance of drug candidates that we develop as viable treatment options;
- technological and market developments;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations in such collaborations;
- maintaining, protecting, enforcing and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- defending against third-party interference, infringement or other intellectual property-related claims, if any; and
- attracting, hiring and retaining qualified personnel.

Even if one or more of the drug candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved drug candidate. Our expenses could increase beyond expectations if we are required by the U.S. Food and Drug Administration (the FDA), the European Medicines Agency (the EMA), or other regulatory agencies to perform clinical trials or studies in addition to those that we currently anticipate. Even if we are able to generate revenue from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

We will require substantial additional financing to achieve our goals, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development or commercialization efforts.

Our operations have consumed substantial amounts of cash since our inception. Since our inception, we have invested a significant portion of our efforts and financial resources in research and development activities for our initial nonclinical and clinical drug candidates. Nonclinical studies and clinical trials and additional research and development activities will require substantial funds to complete. In October 2023, we closed a private placement, which resulted in gross proceeds of approximately $92 million, before deducting placement agent fees and expenses. As of December 31, 2022 December 31, 2023, we had cash, cash equivalents and investments of $125.8 million $135.7 million. We expect to continue to spend substantial amounts to continue the nonclinical and clinical development of our current and future programs. If we are able to gain marketing approval for drug candidates that we develop, we will require significant additional amounts of cash in order to launch and commercialize such drug candidates. In addition, other unanticipated costs may arise. Because the design and outcome of our planned and anticipated clinical trials is highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any drug candidate we develop.

Our future capital requirements depend on many factors, including:

- the scope, progress, results and costs of researching and developing our drug candidates and programs, and of

conducting nonclinical studies and clinical trials;

- the timing of, and the costs involved in, obtaining marketing approvals for drug candidates we develop if clinical trials successful;
- the cost of commercialization activities for our current drug candidates, and any future drug candidates we develop, whether alone or in collaboration, including marketing, sales and distribution costs if our current drug candidates or a future drug candidate we develop is approved for sale;
- the cost of manufacturing our current and future drug candidates for clinical trials in preparation for marketing approv and commercialization;
- our ability to establish and maintain strategic licenses or other arrangements and the financial terms of such agreem including milestone payments to our licensors;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;

- any lawsuits related to our drug candidates or commenced against us, including the costs associated with our curren litigation with Janssen; us;
- the timing, receipt and amount of sales of, or profit share or royalties on, our future products, if any;
- the emergence of competing therapies for hepatological indications and viral diseases and other adverse market developments; and
- any acquisitions or in-licensing of other programs or technologies.

To date, we have primarily financed our operations through the sale of common stock, preferred stock and convertible notes. For example, in November 2021, we filed a Registration Statement on Form S-3 covering the offering of up to $400.0 million of common stock, preferred stock, debt securities, warrants and units, which was declared effective by the SEC in November 2021 (November 2021 Shelf Registration Statement). In November 2021, we also entered into a sales agreement (November 2021 Sales Agreement), with Jefferies LLC, as sales agent to sell shares of our common stock, from time to time, with aggregate gross sales proceeds of up to $75.0 million pursuant to the November 2021 Shelf Registration Statement as an “at-the-market” offering under the Securities Act (ATM Offering Program). In October 2023, we completed a private placement of common stock, warrants and pre-funded warrants.

We expect to finance our cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. In addition, we may seek additional capital to take advantage of favorable market conditions or strategic opportunities even if we believe we

have sufficient funds for our current or future operating plans. Based on our research and development plans, we expect that our existing cash, cash equivalents and investments will enable us to fund our operations for at least 12 months following the date of this report. However, our operating plan may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned. Moreover, it is particularly difficult to estimate with certainty our future expenses given the dynamic nature of our business, the COVID-19 pandemic and the macro-economic environment generally.

Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. For example, the COVID-19 pandemic, the current inflationary economic environment, and rising interest rates have resulted in a disruption of global financial markets. If the disruption persists or deepens, we could be unable to access additional capital, which could negatively affect our ability to consummate certain corporate development transactions or other important, beneficial or opportunistic investments. If additional funds are not available to us when we need them, on terms that are acceptable to us, or at all, we may be required to:

- delay, limit, reduce or terminate nonclinical studies, clinical trials or other research and development activities or eliminate one or more of our development programs altogether; or
- delay, limit, reduce or terminate our efforts to establish manufacturing and sales and marketing capabilities or other activities that may be necessary to commercialize any future approved products, or reduce our flexibility in developin maintaining our sales and marketing strategy.

We currently have a shelf registration statement effective and existing ATM Offering Program, however, our ability to raise capital under this registration statement and through the ATM Offering Program may be limited by, among other things, SEC rules and regulations impacting the eligibility of smaller companies to use Form S-3 for primary offerings of securities. Based on our public float, as of the date of the filing of this Annual Report on Form 10-K, we are only permitted to utilize a shelf registration statement, including the registration statements under which our ATM Offering Programs are operated, subject to Instruction I.B.6 to Form S-3, which is referred to as the “baby shelf” rule. For so long as our public float is less than $75.0 million, we may not sell more than the equivalent of one-third of our public float during any 12 consecutive months pursuant to the baby shelf rules. Although alternative public and private transaction structures may be available, these may require additional time and cost, may impose operational restrictions on us, and may not be available on attractive terms.

Our operating results may fluctuate significantly, which will make our future results difficult to predict and could cause our results to fall below expectations.

Our quarterly and annual operating results may fluctuate significantly, which will make it difficult for us to predict our future results. These fluctuations may occur due to a variety of factors, many of which are outside of our control and may be difficult to predict, including:

- the timing and cost of, and level of investment in, research, development and commercialization activities, which may change from time to time;
- the timing and status of enrollment for our clinical trials;
- the timing of regulatory approvals, if any, in the United States and internationally;
- the timing of expanding our operational, financial and management systems and personnel, including personnel to support our clinical development, quality control, manufacturing and commercialization efforts and our operations as public company;
- the cost of manufacturing, as well as building out our supply chain, which may vary depending on the quantity produ and the terms of any agreements we enter into with third-party suppliers;
- the timing and amount of any milestone, royalty or other payments due under any current or future collaboration or license agreement, including our existing license agreements with Emory University (Emory) and KU Leuven;
- coverage and reimbursement policies with respect to any future approved products, and potential future drugs that compete with our products;
- the timing and cost to establish a sales, marketing, medical affairs and distribution infrastructure to commercialize an products for which we may obtain marketing approval and intend to commercialize on our own or jointly with current future collaborators;
- expenditures that we may incur to acquire, develop or commercialize additional products and technologies;
- expenditures that we may incur in any lawsuits related to our drug candidates or commenced against us, including th costs associated with our current litigation with Janssen; us;
- the level of demand for any future approved products, which may vary significantly over time;
- future accounting pronouncements or changes in accounting principles or our accounting policies; and
- the timing and success or failure of nonclinical studies and clinical trials for our drug candidates or competing drug candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or collaboration partners.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even if we have met any previously publicly stated revenue or earnings guidance we may provide.

If we fail to comply with the continued listing requirements of Nasdaq, our common stock may be delisted and the price of our common stock and our ability to access the capital markets could be negatively impacted.

We must satisfy Nasdaq's continued listing requirements, including, among other things, a minimum closing bid price of $1.00 per share and timely filing of all periodic financial reports, or risk delisting, which would have a material adverse effect on our business. In the event we are delisted from Nasdaq, the only established trading market for our common stock would be eliminated, and we would be forced to list our shares on the OTC Markets or another quotation medium, depending on our ability to meet the specific listing requirements of those quotation systems. As a result, an investor would likely find it more difficult to trade or obtain accurate price quotations for our shares. Delisting would likely also reduce the visibility, liquidity, and value of our common stock, reduce institutional investor interest in our company, and may increase the volatility of our common stock. Delisting could also cause a loss of confidence of potential industry partners, lenders, and employees, which could further harm our business and our future prospects.

On September 5, 2023, we received a letter from Nasdaq indicating that, for the last 30 consecutive business days, the bid price for our common stock had closed below the minimum $1.00 per share required for continued inclusion on the Nasdaq Global Select Market under the Nasdaq Listing Rules. The notice had no immediate effect on the listing or trading of our common stock. On March 6, 2024, our common stock began trading on the Nasdaq Capital Market, making us eligible for an additional compliance period that ends on September 3, 2024.

Under Nasdaq Listing Rule 5810(c)(3)(A), if the closing bid price of our Common Shares is at or above $1.00 for a minimum of 10 consecutive business days by September 3, 2024, we would regain compliance with the minimum bid price requirement and our Common Shares would continue to be eligible for listing on the Nasdaq Capital Market, absent noncompliance with any other requirement for continued listing.

We intend to monitor the closing bid price of our common stock and consider our available options if the closing bid price of our common stock remains below $1.00 per share. There can be no assurance that we will be able to regain compliance with the minimum bid price requirement during the 180-day compliance period with respect to the minimum bid price requirement, maintain compliance with the other listing requirements, or maintain the listing of our common stock on Nasdaq.

Delisting from Nasdaq could make trading our common stock more difficult for investors, potentially leading to declines in our share price and liquidity. In addition, without a Nasdaq market listing, stockholders may have a difficult time getting a quote for the sale or purchase of our common stock, the sale or purchase of our common stock would likely be made more difficult and the trading volume and liquidity of our common stock could decline. Delisting from Nasdaq could also result in negative publicity and could also make it more difficult for us to raise additional capital. The absence of such a listing may adversely affect the acceptance of our common stock as currency or the value accorded by other parties. If our common stock

is delisted by Nasdaq, our common stock may be eligible to trade on an over-the-counter quotation system, such as the OTCQB market, where an investor may find it more difficult to sell our common stock or obtain accurate quotations as to the market value of our common stock. We cannot assure you that our common stock, if delisted from Nasdaq, will be listed on another national securities exchange or quoted on an over-the counter quotation system.

Our business could be materially adversely affected by the effects of health pandemics or epidemics including the current outbreak of COVID-19 and future coronavirus outbreaks, and in particular in regions where we or third parties on which we rely have significant manufacturing facilities, concentrations of clinical trial sites or other business operations, including the San Francisco Bay Area where our headquarters are located.

Our business could be materially adversely affected by the effects of health pandemics or epidemics, including epidemics. For instance, the current outbreak of COVID-19, which the World Health Organization had declared a global pandemic, and which has

prompted severe lifestyle and commercial restrictions aimed at reducing the spread of the disease. In March 2020, the San Francisco Bay Area counties issued a joint shelter-in-place order, which was subsequently followed by a California state-wide shelter order, and other state and local governments implemented similar orders which, among other things, directed individuals to shelter at their places of residence, directed businesses and governmental agencies to cease non-essential operations at physical locations, prohibited certain non-essential gatherings, and ordered cessation of non-essential travel. As a result of these developments, we had implemented work-from-home policies for most of our employees. Since the availability of COVID-19 vaccines, almost all of our employees have been fully vaccinated and as a result, until March 2022 when we are allowing such employees to return to work, subject to certain COVID-19 related protocols and policies we have put in place and which are modified from time to time as appropriate. However, as the global COVID-19 pandemic and orders and guidance from state and local governments continue to evolve, we may need to reverse course and again implement work-from-home policies as necessary. For example, given the Omicron variant of COVID-19, we again implemented work-from-home policies for our employees in January 2022. While we have allowed our employees to return to work at our U.S. facility as of March 2022, we continue to monitor the COVID-19 situation and may once again reverse course periodically as necessary. facility. Government-imposed quarantines and our any future work-from-home policies may negatively impact productivity, disrupt our business and delay our clinical programs and timelines, the magnitude of which will depend, in part, on the length and severity of the restrictions, the potential impact of changing government orders in response to upticks in COVID-19 cases health pandemics or epidemics and other limitations on our ability to conduct our business in the ordinary course. Although we do not anticipate any impacts to our clinical programs, these These and similar, and perhaps more severe, disruptions in our operations could negatively impact our business, operating results and financial condition in the future.

Quarantines, shutdowns and shelter-in-place and similar government orders related to COVID-19 or other infectious diseases, or the perception that such events, orders or other restrictions on the conduct of business operations could occur, could impact personnel at third-party manufacturing facilities in the United States and other countries, or the availability or cost of materials, which would disrupt our supply chain. Restrictions resulting from the COVID-19 outbreak health pandemics

or epidemics may at any time disrupt our supply chain and delay or limit our ability to obtain sufficient materials for our drug candidates.

In addition, our current clinical trial and planned clinical trials may be affected by the ongoing COVID-19 pandemic. any future public health pandemics or epidemics. Site initiation and patient enrollment may be delayed due to prioritization of hospital

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resources toward the COVID-19 pandemic, disease, and potential patients may not be able or willing to comply with clinical trial protocols, whether due to quarantines impeding patient movement or interrupting healthcare services, or due to potential patient concerns regarding interactions with medical facilities or staff. Similarly, our ability to recruit and retain principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19, the disease, may be delayed or disrupted, which may adversely impact our clinical trial operations.

In addition, the global COVID-19 pandemic has adversely affected, and any future significant outbreak of contagious diseases in the human population could similarly adversely affect the economies and financial markets of many countries, including the United States, resulting in an economic downturn that could suppress demand for our future products. Any of these events could have a material adverse effect on our business, financial condition, results of operations or cash flows.

In addition, while the duration and severity of the effects of COVID-19 may be difficult to assess or predict, a continuing widespread pandemic could result in significant disruption of global financial markets, reducing our ability to access capital, which could negatively affect our liquidity and ability to progress our operations. In addition, a recession, down-turn, market correction or supply chain disruption resulting from the COVID-19 pandemic or other health pandemics or epidemics could materially adversely affect the value of our common stock.

Risks related to product development and regulatory process

We are early in our development efforts, and our business is dependent on the successful development of our current and future drug candidates. If we are unable to advance our current or future drug candidates through clinical trials, obtain marketing approval and ultimately commercialize any drug candidates we develop, or experience significant delays in doing so, our business will be materially harmed.

Our clinical development efforts across our drug candidates are in an early stage. We have initiated clinical trials for our most advanced drug candidates in many countries (e.g., New Zealand, Hong Kong, the United Kingdom). Our other programs are in the discovery or nonclinical development stage. We have invested substantially all of our efforts and financial resources in the identification of targets and nonclinical development of

therapeutics to address hepatological indications and viral diseases. However, the biology of these indications and diseases is complex and not completely understood, and our current and future drug candidates may never achieve expected or functional levels of efficacy or achieve an acceptable safety profile. For example, our CHB portfolio previously included our STOPS™STOPSTM drug candidate, ALG-010133, one of our proprietary s-antigen transport-inhibiting oligonucleotide polymers that was in a Phase 1b dose range finding trial (NCT04485663) evaluating subjects with CHB as well as our proprietary antisense oligonucleotide, ALG-020572, that was in a Phase 1a/1b umbrella study (NCT05001022) and for which dosing in CHB patients were initiated as part of the multiple ascending dose portion of such study. However, in January 2022, we announced we halted further development of ALG-010133 based on data from such trial indicating insufficient antiviral activity to warrant further development of such drug candidate. And, in March 2022, we announced our discontinuation of further development of ALG-020572 ALG-020572 due to an unanticipated serious adverse event involving significant increase in alanine aminotransferase (ALT) in one CHB subject and several additional subjects experiencing ALT flares. Finally, for our siRNA drug candidate targeting HBsAg production, ALG-125755, we conducted a Phase 1 study evaluating single doses ranging from 20-200 mg and 50-320 mg in HVs and virologically suppressed HBeAg negative CHB subjects, respectively. In this study, we found that these single doses were well tolerated with a favorable PK profile. With respect to antiviral activity, while available data indicate evidence of HBsAg lowering at all 3 dose levels evaluated, the comparative efficacy of ALG-125755 vs. competitor siRNAs is inconclusive. Because further clinical evaluation of ALG-125755 is not prioritized with current funding, any further advancement of ALG-125755 will require partnership which may not come to fruition.

Our use of clinically validated targets to pursue treatments of these indications and diseases does not guarantee efficacy or safety or necessarily reduce the risk that our current or future drug candidates will not achieve expected or functional levels of efficacy or achieve an acceptable safety profile.

The success of our business, including our ability to finance our company and generate revenue from products in the future, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of the drug candidates we develop, which may never occur. Our current drug candidates, and any future drug candidates we develop, will require additional nonclinical and clinical development, management of clinical, nonclinical and manufacturing activities, marketing approval in the United States and other markets, demonstrating effectiveness to pricing and reimbursement authorities, obtaining sufficient manufacturing supply for both clinical development and commercial production, building of a commercial

organization, and substantial investment and significant marketing efforts before we generate any revenues from product sales.

We are evaluating drug candidates in clinical trials in many countries (e.g., New Zealand, Hong Kong, the United Kingdom). As a company, we have limited experience in preparing, submitting and prosecuting regulatory filings. Specifically, we have not previously submitted a new drug application (NDA) to the FDA or similar approval filings to a comparable foreign regulatory authority for any drug candidate. An NDA or other relevant regulatory filing must include extensive nonclinical and clinical data and supporting information to establish that the drug candidate is safe and effective for each desired indication. The NDA or other comparable regulatory filing must also include significant information regarding the chemistry, manufacturing and controls for the product. We have had limited interactions with the FDA and cannot be certain how many clinical trials of any of our drug candidates will be required or whether the FDA will agree with the design or implementation of our clinical trials. In addition, we cannot be certain that our current or future drug candidates will be successful in clinical trials such that the information contained in an NDA or comparable regulatory filing would support approval, and thus we cannot guarantee that any of our drug candidates will receive regulatory approval. Further, even if our current or future drug candidates are successful in clinical trials, such candidates may not receive regulatory approval. If we do not receive regulatory approvals for current or future drug candidates, we may not be able to continue our operations. Even if we successfully obtain regulatory approval to market a drug candidate, our revenue will depend, in part, upon the size of the markets in the territories for which we gain regulatory approval and have commercial rights, as well as the availability of competitive products, third-party reimbursement and adoption by physicians.

We plan to seek regulatory approval to commercialize our drug candidates both in the United States and in select foreign countries. While the scope of regulatory approval in other countries is generally similar to that in the United States, in order to obtain separate regulatory approval in other countries we must comply with numerous and varying regulatory requirements of such countries regarding safety and efficacy. Other countries also have their own regulations governing, among other things, clinical trials and commercial sales, as well as pricing and distribution of drugs, and we may be required to expend significant resources to obtain regulatory approval and to comply with ongoing regulations in these jurisdictions.

The success of our current and future drug candidates will depend on many factors, which may include the following:

- sufficiency of our financial and other resources to complete the necessary nonclinical studies and clinical trials, and o ability to raise any additional required capital on acceptable terms, or at all;

- our ability to develop and successfully utilize our drug discovery platforms;
- the timely and successful completion of our nonclinical studies and clinical trials, which may be significantly slower o cost more than we currently anticipate and will depend substantially upon the performance of third-party contractors;
- acceptance of investigational new drug applications (INDs), clinical trial applications (CTAs) and/or similar applicatio in other jurisdictions for our planned and future clinical trials;
- whether we are required by the FDA or a comparable foreign regulatory agency to conduct additional clinical trials or other studies beyond those planned to support approval of our drug candidates;
- successful enrollment and completion of clinical trials;

- successful data from our clinical program that supports an acceptable risk-benefit profile of our drug candidates in th intended populations;
- receipt and maintenance of marketing approvals from applicable regulatory authorities;
- establishing agreements with third-party manufacturers for clinical supply for our clinical trials and commercial manufacturing, if our drug candidates are approved;
- our ability, and the ability of any third parties with whom we contract, to remain in good standing with regulatory agencies and develop, validate and maintain commercially viable manufacturing processes that are compliant with current good manufacturing practices (cGMPs);

- entry into collaborations to further the development of our drug candidates in select indications or geographies;
- obtaining, maintaining and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- enforcing and defending our intellectual property rights and having and successfully executing an intellectual propert life cycle management strategy that supports long-term product development and commercialization goals;
- obtaining and maintaining regulatory exclusivity for our drug candidates;
- successfully launching commercial sales of our drug candidates, if approved;
- acceptance of the drug candidate’s benefits and uses, if approved, by patients, the medical community and third-par payors;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with our drug candidates following approval;
- effectively competing with other therapies; and
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors.

If we are not successful with respect to one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully obtain approval of or commercialize the drug candidates we develop, which would materially harm our business. If we do not receive marketing approvals for our current or future drug candidates, we may not be able to continue our operations. Even if regulatory approvals are obtained, we may never be able to successfully commercialize any products. Accordingly, we cannot provide assurances that we will be able to generate sufficient revenue through the sale of products to continue our business.

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

In order to obtain approval from the FDA and other major regulatory agencies in non-U.S. countries to market a new drug candidate, we must demonstrate proof of safety and efficacy in humans. To meet these requirements, we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a drug candidate, we must complete extensive nonclinical studies that support our planned INDs or CTAs in the United States and other countries. At this time, we are evaluating drug candidates in clinical trials in many countries (e.g., New Zealand, Hong Kong, the United Kingdom). The rest of our programs are in nonclinical research or earlier stages of development, including our other chronic hepatitis B (CHB) drug candidates and our coronavirus drug candidates. We cannot be certain of the timely completion or outcome of our nonclinical studies and cannot predict if the FDA or other regulatory authorities will accept our proposed clinical programs or if the outcome of our nonclinical studies will ultimately support further development of our programs. In addition, the FDA may decline to accept the data we obtain from foreign clinical studies in support of an IND or NDA in the United States, which may require us to repeat or conduct additional nonclinical studies or clinical trials that we did not anticipate in the United States. As a result, we cannot be sure that we will be able to submit INDs in the United States, or CTAs or similar applications in other jurisdictions, on the timelines we expect, if at all, and we cannot be sure that submission of INDs, CTAs or similar applications will result in the FDA or other regulatory authorities allowing additional clinical trials to begin.

Conducting nonclinical testing is a complex, lengthy, time-consuming and expensive process. The length of time may vary substantially according to the type, complexity and novelty of the program, and often can take several years or more per program. Delays associated with programs for which we are directly conducting nonclinical studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the studies of certain programs that are the responsibility of potential future partners, if any, over which we have no control. The commencement and rate of completion of nonclinical studies and clinical trials for a drug candidate may be delayed by many factors, including:

- inability or failure by us or third parties to comply with regulatory requirements, including the requirements of good laboratory practice (GLP);
- inability to generate sufficient nonclinical or other in vivo or in vitro data to support the initiation of clinical studies;
- delays in reaching a consensus with regulatory agencies on study design and obtaining regulatory authorization to commence clinical trials;

- obtaining sufficient quantities of our drug candidates for use in nonclinical studies and clinical trials from third-party suppliers on a timely basis;
- delays due to the COVID-19 pandemic, including due to reduced workforce productivity as a result of our implementation of a temporary work-from-home policy or illness among personnel, or due to delays at our third-party contract research organizations throughout the world for similar reasons or due to restrictions imposed by applicable governmental authorities; and
- delays due to other global-scale potentially catastrophic events, including other public health pandemics or epidemic terrorism, war, and climate changes.

Moreover, even if candidates from our drug programs advance into clinical trials, our development efforts may not be successful, and clinical trials that we conduct or that third parties conduct on our behalf may not demonstrate sufficient safety or efficacy to obtain the requisite regulatory approvals for any drug candidates we develop. Even if we obtain positive results from nonclinical studies or initial clinical trials, we may not achieve the same success in future trials.

The regulatory approval processes of the FDA, the EMA and comparable foreign authorities are lengthy, time-consuming, complex and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The time required to obtain approval by the FDA, the EMA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon

numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate's clinical development and may vary across jurisdictions. We have not obtained regulatory approval for any drug candidate and it is possible that none of our current or future drug candidates will ever obtain regulatory approval.

Our current and future drug candidates could fail to receive regulatory approval for many reasons, including the following:

- the FDA, the EMA or comparable foreign regulatory authorities may disagree with the design or implementation of ou clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA, the EMA or comparable foreign regulatory authoriti that a drug candidate is safe or effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA, the EMA or compara foreign regulatory authorities for approval;
- we may be unable to demonstrate that a drug candidate's clinical and other benefits outweigh its safety risks;
- the FDA, the EMA or comparable foreign regulatory authorities may disagree with our interpretation of data from clin trials or nonclinical studies;
- the data collected from clinical trials of our drug candidates may not be sufficient to support the submission of an ND the FDA or other submission or to obtain regulatory approval in the United States, the European Union (EU) or elsewhere;
- the FDA, the EMA or comparable foreign regulatory authorities may find deficiencies with or fail to approve the

manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and

- the approval policies or regulations of the FDA, the EMA or comparable foreign regulatory authorities may significant change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of clinical trial results may result in our failing to obtain regulatory approval to market any drug candidate we develop, which would significantly harm our business, results of operations and prospects. The FDA, the EMA and other comparable foreign authorities have substantial discretion in the approval process, and in determining when or whether regulatory approval will be obtained for any drug candidate that we develop. Even if we believe the data collected from future clinical trials of our drug candidates are promising, such data may not be sufficient to support approval by the FDA, the EMA or any other regulatory authority.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, may not approve the price we intend to charge for our products, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that does not include the labeling claims that we believe are necessary or desirable for the successful commercialization of that drug candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our drug candidates.

We cannot be certain that any of our programs will be successful in clinical trials or receive regulatory approval. Further, drug candidates we develop may not receive regulatory approval even if they are successful in clinical trials. If we do not receive regulatory approvals for our drug candidates, we may not be able to continue our operations.

Clinical product development involves a lengthy and expensive process, with uncertain outcomes. We may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our current and future drug candidates, which could result in increased costs to us, delay or limit our ability to generate revenue and adversely affect our business, financial condition, results of operations and prospects.

To obtain the requisite regulatory approvals to commercialize any of our drug candidates, we must demonstrate through extensive nonclinical studies and clinical trials that our products are safe and effective in humans. Clinical trials are expensive and can take many years to complete, and their outcomes are inherently

uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful. For example, in January 2022, we halted further development of ALG-010133. ALG-010133. This decision was based on emerging data from the Phase 1 Study ALG-010133-101,, that indicated that at the projected efficacious dose (400 mg, estimated to achieve liver exposures >3 x EC90 for HBsAg inhibition) there was no meaningful HBsAg reduction. Furthermore, higher doses levels (maximum feasible dose is 600 mg) that were planned to be evaluated in a subsequent cohort were very unlikely to reach the 1 log10 IU/mL HBsAg reduction level that we had previously defined as necessary to advance the program. As another example, in March 2022, we discontinued further development of our ASO drug candidate for CHB, ALG-020572, due to an unanticipated serious adverse event involving significant increase in ALT in one CHB subject and several other subjects experiencing ALT flares in the same study. Finally, for our siRNA drug candidate targeting HBsAg production, ALG-125755, we conducted a Phase 1 study evaluating single doses ranging from 20-200 mg and 50-320 mg in HVs and virologically suppressed HBeAg negative CHB subjects, respectively. In this study, we found that these single doses were well tolerated with a favorable PK profile. With respect to antiviral activity, while available data indicate evidence of HBsAg lowering at all 3 dose levels evaluated, the comparative efficacy of ALG-125755 vs. competitor siRNAs is inconclusive. Because further clinical evaluation of ALG-125755 is not prioritized with current funding, any further advancement of ALG-125755 will require partnership which may not come to fruition.

We may experience delays in completing our clinical trials and initiating or completing additional clinical trials. We may also experience numerous unforeseen events prior to, during, or as a result of our nonclinical studies or clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the drug candidates we develop, including:

- regulators, Institutional Review Boards (IRBs) or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites ar prospective contract research organizations (CROs);
- the number of patients required for clinical trials may be larger than we anticipate;

- it may be difficult to enroll a sufficient number of suitable patients, or enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials or fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require us to new clinical trial sites or investigators;
- the supply or quality of materials for drug candidates we develop or other materials necessary to conduct clinical tria

may be insufficient or inadequate; and

- we may experience disruptions by man-made or natural disasters or public health pandemics or epidemics or other business interruptions, including the current COVID-19 pandemic and future outbreaks of the disease. interruptions.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs or ethics committees of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our drug candidates.

Further, we are currently conducting clinical trials in many countries (e.g., New Zealand, Hong Kong, the United Kingdom). We may also in the future conduct clinical trials for these and other drug candidates in other countries and territories which presents additional risks that may delay completion of our clinical trials. These risks include the possibility that we could be required to conduct additional nonclinical studies before initiating any clinical trials, may be unable to enroll and retain patients as a result of differences in healthcare services, research guidelines or cultural customs, or may face additional administrative burdens associated with comparable foreign regulatory schemes, as well as political and economic risks relevant to such foreign countries.

If we experience termination or delays in the completion of any clinical trial of our drug candidates, the commercial prospects of our drug candidates will be harmed, and our ability to generate product revenues from any of these drug candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our drug candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do, shorten any periods during which we may have the exclusive right to commercialize our drug candidates, impair our ability to commercialize our drug candidates and harm our business and results of operations.

Specifically, should we experience another pandemic or epidemic outbreak on a similar if not greater scale as the COVID-19 outbreak, the clinical trial sites for our current drug trials, including for ALG-000184 and ALG-055009, ALG-000184, ALG-097558 and ALG-125755 ALG-125755, and future planned trials may be affected by the COVID-19 outbreak due to prioritization of hospital resources toward COVID-19 the outbreak efforts, travel or quarantine restrictions imposed by national, federal, state or local governments, and the inability to access sites for initiation and patient monitoring and enrollment. As a result, patient screening, new patient enrollment, monitoring and data collection may be affected or delayed. Some of our third-party manufacturers we use for the supply of materials for drug candidates or other materials necessary to manufacture product to conduct clinical trials are may be located in countries affected by COVID-19, the outbreak, and, should they experience disruptions such as temporary closures or suspension of services, we would likely experience delays in advancing these trials.

Separately, principal investigators for our clinical trials serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or a regulatory authority concludes that the financial relationship may have affected the interpretation of the clinical trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be

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jeopardized, which could result in the delay or rejection of any applications we submit. Any such delay or rejection could prevent or delay us from commercializing our current or future drug candidates.

Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or could lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our drug candidates or result in the development of our drug candidates being terminated.

Our pursuit of potential treatments for NASH MASH is at an early stage and we may be unable to produce a therapy that successfully treats NASH. MASH. Even if successful, we may be unable to obtain regulatory approval for and successfully commercialize our drug candidates.

We have invested, and will continue to invest, a significant portion of our time and financial resources in the pursuit of a treatment for NASH, MASH, including ALG-055009, ALG-055009, our THR-b THR-ß agonist which is currently in a Phase 1 trial. If we cannot successfully develop, obtain regulatory approval for and commercialize our drug candidates for the treatment of NASH, MASH, our business may be harmed. The mechanism of action of our NASH MASH drug candidates is complex, and we do not know the degree to which it will translate into a therapeutic benefit, if any, in NASH MASH or any other indication, and we do not know the degree to which the complex mechanism of action may contribute to long-term safety issues or adverse events when our drug candidates are taken for prolonged periods, as is inherent in the treatment of NASH.MASH.

In addition, the standards implemented by clinical or regulatory agencies may change at any time and we cannot be certain what efficacy endpoints the FDA or foreign clinical or regulatory agencies may require at the time we plan to conduct clinical trials with respect to NASH MASH or any other applicable indication.Also, if we are able to obtain accelerated approval of our drug candidates based on a liver biopsy endpoint, we may be required to conduct a post-approval clinical outcomes trial to confirm the clinical benefit of the drug candidate; if any such post-approval trial is not successful, we would not be able to continue marketing the product.

If we are successful and any of our drug candidates are approved for the treatment of NASH, MASH, our drug candidates will likely compete with products that may be approved for the treatment of NASH MASH prior to our drug candidates and/or that have greater efficacy than our drug candidates, either alone or in combination. Behavioral modifications, such as diet and exercise, can also decrease or eliminate the demand for our potential NASH MASH treatments.

Our pursuit of potential therapies for COVID-19 is at an early stage.

In response to the outbreak of COVID-19, the disease caused by the virus SARS-CoV-2, we are pursuing various potential therapies to address the disease, including our drug candidate ALG-097558, an oral protease inhibitor which we have selected as our drug candidate to move forward into development. Our identification and development of these potential therapies is at an early stage, and we may be unable to produce in a timely manner a therapy that successfully treats the virus or that has broad clinical applicability, if at all.

For example, in June 2020, we entered into a Research, Licensing and Commercialization Agreement (the with KU Leuven Agreement) with Katholieke Universiteit Leuven (KU Leuven) under which we were collaborating with KU Leuven's Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery, CD3, to research, develop, manufacture and commercialize potential protease inhibitors for the treatment of coronaviruses, including SARS-CoV-2. In July 2023, we amended our license agreement with KU Leuven (as amended, KU Leuven Agreement) to further our collaboration. While ALG-097558 has been selected as our drug candidate to move forward into development, the KU Leuven Agreement may ultimately not result in a therapy that successfully treats SARS-CoV-2. Further, if the KU Leuven Agreement does result in such a therapy, the therapy may not be developed and commercialized in a timely manner, or at all.

We are also committing significant financial resources and personnel to the development of potential therapies for COVID-19, which may cause delays in or otherwise negatively impact our other development programs, despite uncertainties surrounding the longevity and extent of COVID-19 as a global health concern. COVID-19 may be substantially eradicated prior to our development of a successful therapy or a vaccine may be developed that is highly efficacious and widely adopted, reducing or eliminating the need for therapies to treat the disease. For instance, the Pfizer/BioNTech BNT162b2, the adenovirus type 26 (Ad26) vaccine by Janssen Pharmaceutical Companies of Johnson & Johnson, Moderna mRNA-1273 and Novavax NVX-CoV2373 COVID-19 vaccines have been approved and/or authorized for emergency use and are in the process of being widely being administered in various countries throughout the world which could adversely impact the need for our potential COVID-19

therapies. Further, while we hope to develop potential therapies that are effective against other or future coronaviruses, in addition to SARS-CoV-2, we cannot be certain this will be the case. If our potential therapies are not effective against other or future coronaviruses, the value and/or sales potential of our therapies will be reduced or eliminated. Our business could be negatively impacted by our allocation of significant resources to a global health threat that is unpredictable and could rapidly dissipate or against which our potential therapies, if developed, may not be partially or fully effective, and may ultimately prove unsuccessful or unprofitable. Furthermore, there are no assurances that our therapy will be approved for inclusion in government stockpile programs, which may be material to the commercial success of any approved coronavirus-related drug candidate, either in the United States or abroad.

We will also need to enter into manufacturing arrangements in the future in order to create a supply chain for our COVID-19 drug candidates that can adequately support demand. Even if we are successful in developing and manufacturing an effective treatment for COVID-19, the SARS-CoV-2 virus could develop resistance to our treatment, which could affect any long-term demand or sales potential for our potential therapies.

In addition, another party may be successful in producing a more efficacious therapy for COVID-19 or a therapy with a more convenient or preferred route of administration or in producing a therapy in a more timely manner, which may lead to the diversion of funding away from us and toward other companies or lead to decreased demand for our potential therapies. For instance, on December 22, 2021, Pfizer, Inc. received an emergency use authorization from the FDA for Paxlovid, an orally administered SARS-CoV-2 protease inhibitor co-administered with ritonavir. Similarly, Merck (together with Ridgeback Bio), is developing the drug molnupiravir, an oral antiviral drug which has been issued an emergency use authorization by the FDA on December 23, 2021. Several drugs are likely being used off-label for treatment, such as dexamethasone. Several approved drugs are being studied for their utility in reducing the severity of SARS-CoV-2 infections, including Soliris by Alexion Pharmaceuticals Inc., Atea Pharmaceuticals, Inc., Jakafi by Incyte Corporation, and Kevzara by Sanofi S.A./Regeneron Pharmaceuticals, Inc. There are significant efforts by other companies globally to develop both therapeutic and prophylactic drug candidates. In November 2022, Enanta Pharmaceuticals announced the initiation of a Phase 2 clinical trial for EDP-235 which is its oral protease inhibitor specifically designed for the treatment of COVID-19. Additionally, in September 2022 Pardes Biosciences announced commencement of its Phase 2 trial evaluating PBI-0451, its oral protease inhibitor, for the treatment of SARS-CoV-2 infections. In addition, Novartis is working on a once a day, pan-coronavirus, main protease inhibitor pill and had planned to start human testing in 2022, and Shionogi announced in September 2022 that its oral therapeutic drug for COVID-19, S-217622, a 3CL protease inhibitor, has achieved its primary endpoint in its Phase 3 part of the Phase 2/3 clinical trial in Asia. Several companies are

focused on antibody treatments, including Amgen Inc. (together with Adaptive Biotechnologies Corporation), AbCellera Biologics, Inc. (together with Eli Lilly and Company), Regeneron Pharmaceuticals, Inc. and Vir Biotechnology, Inc. (together with GSK, Biogen Inc. and WuXi Biologics Ltd.). Numerous efforts are underway to develop vaccines against SARS-CoV-2, including by Altimmune, Inc., AstraZeneca PLC (together with Oxford University), BioNTech SE (together with Pfizer Inc.), GSK (together with Sanofi S.A.), Heat Biologics, Inc., Inovio Pharmaceuticals, Inc., Johnson & Johnson, Moderna, Inc., Novavax, Inc., and Vaxart, Inc. These other entities may be more successful at developing, manufacturing or commercializing

a therapy for COVID-19, especially given that several of these other organizations are much larger than we are and have access to larger pools of capital, including U.S. government funding, and broader manufacturing infrastructure. The success or failure of other entities, or perceived success or failure, may adversely impact our ability to obtain any future funding for our development and manufacturing efforts or to ultimately commercialize a therapy for COVID-19, if approved.

The regulatory pathways for our drug candidates targeting SARS-CoV-2, the virus that causes COVID-19, are continually evolving, and may result in unexpected or unforeseen challenges.

Our drug candidates targeting SARS-CoV-2, the virus that causes COVID-19, are in the early discovery stages. The speed at which companies and institutions are acting to create and test many therapeutics and vaccines for COVID-19 is unusually rapid and evolving or changing plans or priorities within the FDA, including changes based on new knowledge of COVID-19 and how the disease affects the human body, may significantly affect the regulatory timelines for our COVID-19 drug candidates. Results from our continued development and planned clinical trials may raise new questions and require us to redesign proposed nonclinical studies and clinical trials, including revising proposed endpoints or adding new clinical trial sites or cohorts of subjects, with minimal lead time.

The FDA has the authority to grant an EUA to allow unapproved medical products to be used in an emergency to diagnose, treat, or prevent serious or life-threatening diseases or conditions when, based on the totality of scientific evidence, there is evidence of effectiveness of the medical product, and there are no adequate, approved, and available alternatives. For instance, the FDA had granted an EUA for each of the COVID-19 vaccines developed by Pfizer/BioNTech, Moderna, and Janssen Pharmaceutical Companies of Johnson & Johnson. In addition, on December 22, 2021, Pfizer, Inc. received an emergency use authorization from the FDA for Paxlovid, an orally administered COVID-19 protease inhibitor. Similarly, Merck (together with Ridgeback Bio), is developing the drug molnupiravir, an oral antiviral drug which similarly has been issued an emergency use authorization by the FDA on December 23, 2021. Depending on the outcomes of our planned nonclinical and initial clinical testing for our proposed COVID-19 therapies, we may seek an EUA for one or more of our drug candidates for use in the ongoing public health emergency, which would permit us to commercialize a drug candidate prior to FDA approval of an NDA. However, commercialization under an EUA is permitted only during the underlying public health emergency (as declared by the Secretary of the Department of Health and Human Services), meaning that once the emergency declaration is terminated, we would be required to obtain NDA approval to continue marketing the

product. Furthermore, the FDA may revoke an EUA based on a determination that the product no longer satisfies the criteria for issuance of an EUA— EUA - for example, if there is no longer evidence of effectiveness of the product or there are other adequate, approved alternatives. Accordingly, we cannot predict how long, if at all, an EUA for any of our drug candidates

may remain in place. Any termination or revocation of an EUA (if any) for one of our drug candidates could adversely impact our business in a variety of ways, including if one of our COVID-19 drug candidates is not yet approved by the FDA and if we and our manufacturing partners have invested in the supply chain to provide one of our COVID-19 drug candidates under an EUA.

The results of nonclinical studies and early-stage clinical trials may not be predictive of future results.

The results of nonclinical studies may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence may not be predictive of the results of the later-stage clinical trials. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through nonclinical studies and initial clinical trials. There is a high failure rate for drugs proceeding through clinical trials, and a number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies. There can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our drug candidates. Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval of any products. Any such setbacks in our clinical development could have a material adverse effect on our business and operating results.

Interim, "topline" and preliminary data from our clinical trials may differ materially from the final data.

From time to time, we may disclose interim data from our clinical trials, including the preliminary data with respect to ALG-055009,candidates ALG-055009, ALG-000184, ALG-097558 and ALG-125755. Interim data from clinical trials are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more data on existing patients become available. Adverse differences between interim data and final data could significantly harm our business, financial condition, results of operations and prospects. From time to time, we may also publicly disclose preliminary or "topline" data from our clinical trials, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline results that we report may differ from future results of the same clinical trials, or different conclusions or considerations may qualify such topline results, once additional data have been received and fully evaluated. Topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular drug candidate or product and the value of our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically a summary of extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a

particular product, drug candidate or our business. If the topline data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our drug candidates may be harmed, which could harm our business, financial condition, operating results and prospects.

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

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

- the 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 study sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages of the drug candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents for participation in our clinical trials and, where appropriate, biopsi for future patient enrichment efforts;
- the risk that patients enrolled in clinical trials will not remain in the trial through the completion of evaluation; and
- disruption by man-made or natural disasters, or public health pandemics or epidemics or other business interruptions including the current COVID-19 pandemic and future outbreaks of the virus. interruptions.

In addition, our clinical trials will compete with other clinical trials for drug candidates that are in the same therapeutic areas as our current and potential future drug candidates. This competition will reduce the number and

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types of patients available to us, because some patients who might have enrolled in our trials may instead opt to enroll in a trial conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we may conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which would reduce the number of patients

who are available for our clinical trials at such sites. Moreover, because our current and potential future drug candidates may represent a departure from more commonly used methods for treatment, potential patients and their doctors may be inclined to use conventional therapies rather than enroll patients in our clinical trials.

Delays in patient enrollment may result in increased costs or may affect the timing or outcome of clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

Changes in methods of drug candidate manufacturing or formulation may result in additional costs or delay.

As drug candidates proceed from nonclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered to optimize results. However, any change could entail additional cost and risks potential delay if the reformulated or otherwise altered drug candidate performs differently than expected or intended, which could require modification to the nonclinical or clinical program. Such changes may also require additional testing, including bridging or comparability testing to demonstrate the validity of clinical data obtained in clinical trials following manufacturing changes, FDA notification or FDA approval.

Moreover, we have not yet manufactured or processed on a commercial scale any of our drug candidates. We may make changes as we work to optimize our manufacturing processes, but we cannot be sure that even minor changes in our processes will result in therapies that are safe and effective or that will be approved for commercial sale.

Our current or future drug candidates may cause undesirable side effects or have other properties when used alone or in combination with other approved products or investigational new drugs that could delay or halt their clinical development, prevent their marketing approval, limit their commercial potential or result in significant negative consequences.

Undesirable or clinically unmanageable side effects from one or more of our drug candidates or potential future products could occur and cause us or regulatory authorities to interrupt, delay or terminate clinical trials, could result in a more restrictive label or could cause the delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities. Further, results of our planned clinical trials could reveal unacceptably severe and prevalent side effects or unexpected characteristics.

If unacceptable toxicities or other undesirable side effects arise in the development of any of our current or future drug candidates, we could suspend or terminate our trials, or the FDA or comparable foreign regulatory

authorities could order us to cease clinical trials or deny approval of the drug candidate for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled subjects to complete the trial, or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. Inadequately recognizing or managing the potential side effects of our drug candidates could result in patient injury or death. Any of these occurrences may prevent us from achieving or maintaining market acceptance of the affected drug candidate and may harm our business, financial condition and prospects significantly.

Although our current and future drug candidates will undergo safety testing to the extent possible and, where applicable, under such conditions discussed with regulatory authorities, not all adverse effects of drugs can be predicted or anticipated. Unforeseen side effects could arise either during clinical development or, if such side effects are more rare, after our products have been approved by regulatory authorities and the approved product has been marketed, resulting in the exposure of additional patients. To date, we have not demonstrated that any of our drug candidates are safe in humans, and we cannot predict if ongoing or future clinical trials will do so.

Furthermore, we plan to evaluate our drug candidates in combination with approved and/or experimental therapies. These combinations may have additional or more severe side effects than caused by our drug candidates as monotherapies or may cause side effects at lower doses. The uncertainty resulting from the use of our drug

candidates in combination with other therapies may make it difficult to accurately predict side effects in potential future clinical trials.

If any of our drug candidates receives marketing approval and we or others later identify undesirable side effects caused by such products, a number of potentially significant negative consequences could occur, including:

- regulatory authorities may withdraw their approval of the product;
- we may be required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as a “black box” warning or a contraindication;
- we may be required to implement a Risk Evaluation and Mitigation Strategy (REMS) or create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the •the product may become less competitive; and
- our reputation may suffer.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular drug candidate, if approved, and result in the loss of significant revenue to us, which would adversely affect our business, financial condition, results of operations and prospects. In addition, if one or more of our drug candidates prove to be unsafe, our entire

technology platform and pipeline could be affected, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

Even if we complete the necessary nonclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us or any of our future collaboration partners from obtaining approvals for the commercialization of our current drug candidates and any other drug candidate we develop.

Any current or future drug candidates we may develop and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, and distribution, are subject to comprehensive regulation by the FDA and other regulatory authorities in the United States and by comparable authorities in other countries. Failure to obtain marketing approval for a drug candidate will prevent us from commercializing the drug candidate in a given jurisdiction. We have not received approval to market any drug candidates from regulatory authorities in any jurisdiction and it is possible that none of our current or future drug candidates will ever obtain regulatory approval. As an organization, we have no experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs or regulatory consultants to assist us in this process. Securing

regulatory approval requires the submission of extensive nonclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the drug candidate's safety and efficacy. Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Any drug candidates we develop may not be effective, may be only moderately effective, or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity, and novelty of the drug candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional nonclinical, clinical or other studies. In addition, varying

interpretations of the data obtained from nonclinical and clinical testing could delay, limit, or prevent marketing approval of a drug candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

If we experience delays in obtaining marketing approval or if we fail to obtain marketing approval of any current or future drug candidates we may develop, the commercial prospects for those drug candidates may be harmed, and our ability to generate revenues will be materially impaired.

Even if a current or future drug candidate receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If any current or future drug candidate we develop receives marketing approval, whether as a single agent or in combination with other therapies, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community, or such participants may prefer existing treatment options such as nucleos(t)ide analogs including tenofovir and entecavir. If the drug candidates we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The degree of market acceptance of any drug candidate, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of approved product as a combination therapy;
- adoption of a companion diagnostic and/or complementary diagnostic (if any); and
- the prevalence and severity of any side effects.

Adverse events in our therapeutic areas of focus, including hepatological indications and viral diseases, could damage public perception of our current or future drug candidates and negatively affect our business.

The commercial success of our products will depend in part on public acceptance of our therapeutic areas of focus. Adverse events in clinical trials of our drug candidates, or post-marketing activities, or in clinical trials of others developing similar products or targeting similar indications and the resulting publicity, as well as any other adverse events in our therapeutic areas of focus, including hepatological indications and viral diseases, could result in decreased demand for any product that we may develop. If public perception is influenced by claims that the use

of therapies in our therapeutic areas of focus are unsafe, whether related to our therapies or those of our competitors, our products may not be accepted by the general public or the medical community.

Future adverse events in our therapeutic areas of focus or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products. Any increased scrutiny could delay or increase the costs of obtaining marketing approval for the drug candidates we have developed, are developing and may in the future develop.

Negative developments and negative public opinion of technologies on which we rely may damage public perception of our drug candidates or adversely affect our ability to conduct our business or obtain regulatory approvals for our drug candidates.

The clinical and commercial success of our drug candidates will depend in part on public acceptance of the use of technologies for the prevention or treatment of human diseases. Adverse public attitudes may adversely

impact our ability to enroll clinical trials. Moreover, our success will depend upon physicians specializing in our targeted diseases prescribing, and their patients being willing to receive, our drug candidates as treatments in lieu of, or in addition to, existing, more familiar, treatments for which greater clinical data may be available. Any increase in negative perceptions of the technologies that we rely on may result in fewer physicians prescribing our products (if approved) or may reduce the willingness of patients to utilize our products or participate in clinical trials for our drug candidates.

Increased negative public opinion or more restrictive government regulations in response thereto, would have a negative effect on our business, financial condition, results of operations or prospects and may delay or impair the development and commercialization of our drug candidates or demand for such drug candidates. Adverse events in our nonclinical studies or clinical trials or those of our competitors or of academic researchers utilizing similar technologies, even if not ultimately attributable to drug candidates we may discover and develop, and the resulting publicity could result in increased governmental regulation, unfavorable public perception, potential regulatory delays in the testing or approval of potential drug candidates we may identify and develop, stricter labeling requirements for those drug candidates that are approved, a decrease in demand for any such drug candidates and a suspension or withdrawal of approval by regulatory authorities of our drug candidates.

Even if we receive marketing approval of a drug candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense, and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products, if approved.

Any marketing approvals that we receive for any current or future drug candidate may be subject to limitations on the approved indicated uses for which the product may be marketed or contain requirements for potentially costly post-market testing and surveillance to monitor the safety and efficacy of the drug candidate. The FDA may also require a REMS as a condition of approval of any drug candidate, which could include requirements for a Medication Guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk-minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves a drug candidate, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import and export and record keeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, establishment registration, as well as continued compliance with current Good Manufacturing Practice, or cGMP, and Good Clinical Practice, or GCP, for any clinical trials that we conduct post-approval. Later discovery of previously unknown problems with any approved candidate, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or product recalls;
- fines, untitled and warning letters, or holds on clinical trials;
- refusal by the FDA or other regulatory authorities to approve pending applications or supplements to approved applications we filed or suspension or revocation of license approvals;
- product seizure or detention, or refusal to permit the import or export of the product; and

- injunctions or the imposition of civil or criminal penalties.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval of a product. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained, and we may not achieve profitability.

Even if we obtain and maintain approval for our drug candidates from the FDA, we may never obtain approval outside the United States, which would limit our market opportunities.

Approval of a drug candidate in the United States by the FDA does not ensure approval of such drug candidate by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does

not ensure approval by regulatory authorities in other foreign countries. Sales of our drug candidates outside the United States will be subject to foreign regulatory requirements governing clinical trials and marketing approval. Even if the FDA grants marketing approval for a drug candidate, comparable foreign regulatory authorities also must approve the manufacturing and marketing of the drug candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and more onerous than, those in the United States, including additional nonclinical studies or clinical trials. In many countries outside the United States, a drug candidate must be approved for reimbursement before it can be approved for sale in that country. In some cases, the price that we intend to charge for any drug candidates, if approved, is also subject to approval. Obtaining approval for our drug candidates in the European Union (the EU) from the European Commission following the opinion of the EMA, if we choose to submit a marketing authorization application there, would be a lengthy and expensive process. Even if a drug candidate is approved, the EMA may limit the indications for which the product may be marketed, require extensive warnings on the product labeling or require expensive and time-consuming additional clinical trials or reporting as conditions of approval. Approval of certain drug candidates outside of the United States, particularly those that target diseases that are more prevalent outside of the United States, will be particularly important to the commercial success of such drug candidates. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our drug candidates in certain countries.

Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. For example, we are conducting our initial clinical trials for ALG-055009, ALG-000184, ALG-055009, ALG-000184, ALG-097558 and ALG-125755 ALG-125755 in many countries (e.g., New Zealand, Hong Kong, the United Kingdom), and plan to conduct additional clinical trials in several other countries and territories within the Asia Pacific and/or Europe and our conduct of the trials must satisfy specific requirements in order for the FDA to accept the data in support of an IND or NDA in the United States. Further, any regulatory approval for our drug candidates may be withdrawn. If we fail to comply with the applicable regulatory requirements, our target market will be reduced and our ability to realize the full market potential of our drug candidates will be harmed and our business, financial condition, results of operations and prospects could be harmed.

Risks associated with our international operations, including seeking and obtaining approval to commercialize our drug candidates in foreign jurisdictions, could harm our business.

We engage in international operations with offices in the United States, Belgium and China and intend to seek approval to market our drug candidates outside of the United States. We may also do so for future drug candidates. We expect that we are or will be subject to additional risks related to these international business markets and relationships, including:

- different regulatory requirements for approval of drug candidates in foreign countries, including challenging processe for marketing biopharmaceutical products;
- reduced protection for and enforcement of intellectual property rights;
- heightened or different data privacy and information security laws, regulations and policies;

- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation or political instability in particular foreign economies and markets;

- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- foreign reimbursement, pricing and insurance regimes;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities;
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires; and

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- disruptions resulting from the impact of public health pandemics or epidemics (including, for example, the ongoing COVID-19 pandemic).

In addition, there are complex regulatory, tax, labor and other legal requirements imposed by many of the individual countries in which we may operate, with which we will need to comply.

Disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or could otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory, and policy changes, the FDA's ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. Disruptions at the FDA and other agencies may also slow the time necessary for new products to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities.

Relatedly, in response to the COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. Even though the FDA has since resumed standard inspection operations, of domestic facilities where feasible, the FDA has continued to monitor and implement changes to its inspectional activities to ensure the safety of its employees and those of the firms it regulates as it adapts to the evolving COVID-19 pandemic, and any resurgence of the virus or emergence of new variants may lead to further inspectional delays. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to events such as the COVID-19 pandemic. administrative delays.

If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impair the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

If the market opportunities for our drug candidates are smaller than we believe or any approval we obtain is based on a narrower definition of the patient population, our business may suffer.

We currently focus our product development on novel therapeutics to address unmet needs in hepatological indications and viral diseases. Our eligible patient population, pricing estimates and available coverage and reimbursement may differ significantly from the actual market addressable by our drug candidates. Our estimates of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and analyses based on a variety of sources, including scientific literature, patient foundations or market research, and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of the diseases we are targeting. The number of patients may turn out to be lower than expected, and the potentially addressable patient population for each of our drug candidates may be limited or may not be receptive to treatment with our drug candidates, and new patients may become increasingly difficult to identify or access. Certain potential patients may have or develop a resistance to our potential therapies or otherwise be unable to be treated with our potential therapies for COVID-19, HBV or other viral diseases as a result of their genetic makeup. In addition, the route of administration for our potential therapies could be inconvenient and/or not commercially viable, which could also limit the potential market for our therapies.

If the market opportunities for our drug candidates are smaller than we estimate, it could have an adverse effect on our business, financial condition, results of operations and prospects.

For example, we believe NASH MASH to be one of the most prevalent chronic liver diseases worldwide, however, our projections of the number of people who have NASH, MASH, as well as the subset of people with the disease who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and estimates. The effort to identify patients with NASH MASH is in early stages, and we cannot accurately predict the number of patients for whom treatment might be possible. NASH MASH is often undiagnosed and may be left undiagnosed for a long time, partly because a definitive diagnosis of NASH MASH is currently based on a histological assessment of a liver biopsy, which impairs the ability to easily identify patients. If improved diagnostic techniques for identifying NASH MASH patients who will benefit from treatment are not developed, our market opportunity may be smaller than we currently anticipate. Further, if government authorities and third-party payors choose to limit coverage and reimbursement of our NASH MASH drug candidate, such as limiting the number of patients' treatment that would be covered and reimbursable, this could result in a smaller market opportunity for our NASH MASH drug candidate than we anticipate.

In addition, the number of people who have HBV, as well as the subset of people with the disease who have the potential to benefit from treatment with our drug candidates, may be reduced due to factors including the genotype or variant of HBV, more widespread use of vaccines or alternative therapies, political roadblocks to approval and/or treatment in certain countries and the virus's development of resistance to our potential treatments after long-term and persistent exposure to antiviral therapy.

We intend to develop our current drug candidates, and expect to develop other future drug candidates, in combination with other therapies, which exposes us to additional risks.

We intend to develop our current drug candidates, and expect to develop other future drug candidates, in combination with one or more therapies, including therapies that we develop and those developed externally. Even if a drug candidate we develop were to receive marketing approval or be commercialized for use in combination with other therapies, we would face the risk that the FDA or similar regulatory authority outside of the United States could revoke approval of the therapy used in combination with our drug candidate or that safety, efficacy, manufacturing or supply issues could arise with these other therapies. Combination therapies are commonly used for the treatment of viral diseases and it is generally believed they will be required for NASH, MASH, and we would be subject to similar risks if we develop any of our drug candidates for use in combination with other drugs. This could result in our own products, if approved, being removed from the market or suffering commercially. In addition, we may evaluate our current drug candidates and other future drug candidates in combination with one or more other therapies that may have not yet been approved for marketing by the FDA or similar regulatory authorities outside of the United States. We will not be able to market and sell any drug candidate we develop in combination with any such unapproved therapies that do not ultimately obtain marketing approval.

If the FDA or similar regulatory authorities outside of the United States do not approve these other drugs or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, the drugs we choose to evaluate in combination with or any of our drug candidate, we may be unable to obtain approval of or market any of our combination treatments.

We face significant competition, and if our competitors develop and market products that are more effective, safer or less expensive than the drug candidates we develop, our commercial opportunities will be negatively impacted.

The life sciences industry is highly competitive. We are currently developing therapies that will compete, if approved, with other products and therapies that currently exist or are being developed. Products we may develop in the future are also likely to face competition from other products and therapies, some of which we may not currently be aware of. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, established biotechnology companies, specialty pharmaceutical companies, universities and other research institutions. Many of our competitors have significantly greater financial, manufacturing, marketing, product development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, recruiting patients and manufacturing pharmaceutical products. These companies also have significantly greater research and marketing capabilities than we do and may also have products that have been approved or are in late stages of development, and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or

to in-license novel compounds that could make the drug candidates that we develop obsolete. Further, mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. As a result of all of these factors, our competitors may

succeed in obtaining patent protection and/or marketing approval or discovering, developing and commercializing products in our field before we do.

There are a number of companies developing or marketing treatments for CHB, including Roche Holding AG (Roche), Gilead, Bristol-Myers Squibb Company, Arbutus Biopharma Corporation, Dicerna Pharmaceuticals, Inc. (together with Roche), Ionis Pharmaceuticals, Inc. (together with GSK), Arrowhead Pharmaceuticals, Inc. (together with Janssen Pharmaceuticals Company (Janssen)), Vir Biotechnology, Inc. (together with Alnylam Pharmaceuticals, Inc.), Johnson & Johnson, Assembly Biosciences Inc., Enanta Pharmaceuticals, Altimmune, Inc., GSK, Janssen, Transgene SA, Dynavax Technologies, Inc., Merck and Replicor, Inc. There are also companies developing or marketing treatments or vaccines for COVID-19, including Soliris by Alexion Pharmaceuticals Inc., Atea Pharmaceuticals, Inc. (together with Roche), Jakafi by Incyte Corporation, Kevzara by Sanofi S.A./Regeneron Pharmaceuticals, Inc., Amgen Inc. (together with Adaptive Biotechnologies Corporation), AbCellera Biologics, Inc. (together with Eli Lilly and Company), Vir Biotechnology, Inc. (together with GSK, Biogen Inc. and WuXi Biologics Ltd.), Altimmune, Inc., AstraZeneca PLC (together with Oxford University), BioNTech SE (together with Pfizer

Inc.), GlaxoSmithKline plc (GSK) (together with Sanofi S.A.), Heat Biologics, Inc., Inovio Pharmaceuticals, Inc., Johnson & Johnson, Moderna, Inc., Novavax, Inc., Regeneron Pharmaceuticals Inc., Vaxart, Inc., Enanta Pharmaceuticals, Novartis and Shionogi & Co., Ltd. For example, BioNTech SE (together with Pfizer Inc.), Janssen Pharmaceutical Companies of Johnson & Johnson and Moderna Inc. have developed COVID-19 vaccines that have received authorization for emergency use and/or regulatory approval are being widely administered. In addition, on December 22, 2021, Pfizer, Inc. received an emergency use authorization from the FDA for Paxlovid, an orally administered COVID-19 protease inhibitor. Similarly, Merck (together with Ridgeback Bio) is developing the drug Molnupiravir, an oral antiviral drug which similarly has been issued an emergency use authorization by the FDA on December 23, 2021. The availability of such COVID-19 vaccines and each of Pfizer's and Merck's oral COVID-19 drug may reduce or eliminate the need for our potential COVID therapies to treat the disease and therefore negatively impact the commercial opportunity.

Furthermore, there are companies developing or marketing treatments for NASH, MASH, including AbbVie, Inc., AstraZeneca PLC/MedImmune LLC, Bristol-Myers Squibb Company, Eli Lilly and Company, FronThera US Pharmaceuticals LLC, Janssen, Merck, Novartis Pharmaceuticals Corporation (together with Pfizer, Inc.), Novo Nordisk A/S, Pfizer Inc., Roche, Sanofi S.A., Takeda Pharmaceutical Company Limited (together with HemoShear Therapeutics, LLC), 89bio, Inc., Akero Therapeutics, Inc., Cirius Therapeutics, Inc., Enanta Pharmaceuticals, Inc., Galectin Therapeutics Inc., Galmed Pharmaceuticals Ltd., Genfit SA, Gilead, Intercept Pharmaceuticals, Inc., Inventiva Pharma SA, Madrigal Pharmaceuticals, Inc., MediciNova, Inc., NGM Biopharmaceuticals, Inc., Pliant Therapeutics, Inc. (together with Novartis), Terns Pharmaceuticals, Inc. and Viking Therapeutics, Inc.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe effects, are more convenient, have a broader label, are marketed more effectively, including gaining exclusivity for their competing products on formularies thereby excluding our products from such formularies, are reimbursed or are less expensive than any products that we may develop. Our competitors also may obtain FDA, EMA or other marketing approval for their products more rapidly than we may obtain approval for ours (if at all), which could result in our competitors establishing a strong market position before we are able to enter the market (if ever). Even if the drug candidates we develop achieve marketing approval, they may be priced at a significant premium over competitive products, resulting in reduced competitiveness of our products.

Smaller and other early stage companies may also prove to be significant competitors. In addition, academic research departments and public and private research institutions may be conducting research on compounds that could prove to be competitive.

These third parties compete with us not only in drug candidate development, but also in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring and/or licensing technologies complementary to, or necessary for, our programs.

In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to keep pace with technological change, we may be unable to compete effectively. Technological advances or products

developed by our competitors may render our drug candidates obsolete, less competitive or not economical, thereby adversely affecting our business, financial condition and results of operations.

If any of our current or future drug candidates obtain regulatory approval, additional competitors could enter the market with generic versions of such products, which may result in a material decline in sales of our competing products.

Under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Amendments to the Federal Food, Drug, and Cosmetic Act (the FDCA), a pharmaceutical manufacturer may file an abbreviated new drug application (an ANDA) seeking approval of a generic version of an approved innovator product. Under the Hatch-Waxman Amendments, a manufacturer may also submit an NDA under section 505(b)(2) of the FDCA that references the FDA's prior approval of the innovator product. A 505(b)(2) NDA product may be for a new or improved version of the original innovator product. The Hatch-Waxman Amendments also provide for certain periods of regulatory exclusivity, which preclude FDA approval (or in some circumstances, FDA filing and review) of an ANDA or 505(b)(2) NDA. In addition to the benefits of regulatory exclusivity, an innovator NDA holder may have patents claiming the active ingredient, product formulation or an approved use of the drug, which would be listed with the product in the FDA publication "Approved Drug Products with Therapeutic Equivalence Evaluations," known as the Orange Book. If there are patents listed in the Orange Book for a product, a generic or 505(b)(2) applicant that seeks to market its product before expiration of the patents must include in their applications what is known as a "Paragraph IV" certification, challenging the validity or enforceability, or claiming non-infringement, of the listed patent or patents. Notice of the certification must be given to the patent owner and NDA holder and if, within 45 days of receiving notice, either the patent owner or NDA holder sues for patent infringement, approval of the ANDA or 505(b)(2) NDA is stayed for up to 30 months.

Accordingly, if any of our future drug candidates are approved, competitors could file ANDAs for generic versions of these products or 505(b)(2) NDAs that reference our products. If there are patents listed for such drug products in the Orange Book, those ANDAs and 505(b)(2) NDAs would be required to include a certification as to each listed patent indicating whether the ANDA applicant does or does not intend to challenge the patent. We cannot predict which, if any, patents in our current portfolio or patents we may obtain in the future will be eligible for listing in the Orange Book, how any generic competitor would address such patents, whether we would sue on any such patents or the outcome of any such suit.

We may not be successful in securing or maintaining proprietary patent protection for products and technologies we develop or license, despite expending a significant amount of resources that could have been focused on other areas of our business. Moreover, if any of our owned or in-licensed patents that are listed in the Orange Book are successfully challenged

by way of a Paragraph IV certification and subsequent litigation, the affected product could immediately face generic competition and its sales would likely decline rapidly and materially.

Even if we are able to commercialize any drug candidates, such products may become subject to unfavorable pricing regulations or third-party coverage and reimbursement policies, which would harm our business.

The regulations that govern marketing approvals, pricing and reimbursement for new products vary widely from country to country. Some countries require approval of the sale price of a product before it can be marketed. In many countries, the pricing review period begins after marketing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a drug candidate in a particular country, but then be subject to price regulations that delay our commercial launch of the drug candidate, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the drug candidate in that country, potentially to the point of unviability. Adverse pricing limitations may hinder our ability to recoup our investment in one or more drug candidates, even if our drug candidates obtain marketing approval.

Our ability to successfully commercialize any drug candidates, whether as a single agent or in combination, will also depend in part on the extent to which coverage and reimbursement for these drug candidates and related treatments is available from government authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. It is difficult to predict at this time what government authorities and third-party payors may decide with respect to coverage and reimbursement for our programs (if approved).

A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities, particularly in the European Union, and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular products and requiring substitutions of generic products and/or biosimilars. Increasingly, third-party payors are scrutinizing the prices charged for drugs. We cannot be sure that coverage will be available for any drug candidate that we commercialize and, if coverage is available, the level of reimbursement. These government authorities and third-party payors are also examining the cost-effectiveness of drugs, in addition to their safety and efficacy. For example, in some countries, we, or any future collaborators, may be required to conduct a clinical trial that compares the cost-effectiveness of our drug to other therapies to obtain reimbursement or pricing approval. Reimbursement may impact the

demand for, or the price of, any drug candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval.

Further, there may be significant delays in obtaining coverage and reimbursement for newly approved drugs, as the process is time-consuming and costly, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Additionally, no uniform policy requirement for coverage and reimbursement for drug products exists among third-party payors in the United States, which may result in coverage and reimbursement for drug products that differ significantly from payor to payor. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may not be sufficient to cover our costs and may not be permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower-cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved drugs that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

We may not be successful in our efforts to identify or discover other drug candidates and may fail to capitalize on programs or drug candidates that may present a greater commercial opportunity or for which there is a greater likelihood of success.

The success of our business depends upon our ability to identify, develop and commercialize drug candidates. If we do not successfully develop and eventually commercialize products, we will face difficulty in obtaining product revenue in future periods, resulting in significant harm to our financial position and adversely affecting our share price. Research programs to identify new drug candidates require substantial technical, financial and human resources, and we may fail to identify potential drug candidates for numerous reasons.

Additionally, because we have limited resources, we may forego or delay pursuit of opportunities with certain programs or drug candidates or for indications that later prove to have greater commercial potential. For example, we are currently focused on the development of our current drug candidates for hepatological indications. In addition, we are pursuing other drug candidates for viral diseases. However, the advancement of these drug candidates may ultimately prove to be unsuccessful or less successful than another program in our pipeline that we might have chosen to pursue on a less aggressive basis. However, due to the significant resources required for the development of our drug candidates, we must focus on specific diseases and disease pathways and decide which drug candidates to pursue and the amount of resources to allocate to each. Our near-term objective is to demonstrate favorable profiles through Phase 1 clinical trials of our drug candidates ALG-055009, ALG-000184, ALG-097558 and ALG-125755. ALG-125755. Our estimates regarding the potential market for our drug candidates could be inaccurate and our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular drug candidates or therapeutic areas may not lead to the development of any viable commercial product and may divert resources away from better opportunities. Similarly, any

potential decision to delay or terminate development of a drug candidate or program may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities. Further, if we do not accurately evaluate the commercial potential for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate. Alternatively, we may allocate internal resources to a drug

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candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If any of these events occur, we may be forced to abandon or delay our development efforts with respect to a particular drug candidate or we may fail to develop a potentially successful drug candidate or capitalize on profitable market opportunities, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may seek and fail to obtain fast track or breakthrough therapy designations from the FDA for our current or future drug candidates or priority review designation for any NDA we may submit to the FDA. Even if we are successful, these programs may not lead to a faster development or regulatory review process, and they do not guarantee we will receive approval for any drug candidate. We may also seek to obtain accelerated approval for one or more of our drug candidates but the FDA may disagree that we have met the requirements for such approval.

If a product is intended for the treatment of a serious or life-threatening condition and nonclinical or clinical data demonstrate the potential to address an unmet medical need for this condition, the product sponsor may apply for fast track designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular drug candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive fast track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may rescind the fast track designation if it believes that the designation is no longer supported by data from our clinical development program.

We may also seek breakthrough therapy designation for any drug candidate that we develop. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Like fast track designation, breakthrough therapy designation is within the discretion of the FDA.

Accordingly, even if we believe a drug candidate we develop meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of breakthrough therapy designation for a drug candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if a drug candidate we develop qualifies as a breakthrough therapy, the FDA may later decide that the drug no longer meets the conditions for qualification and rescind the designation.

Drugs designated as fast track products or breakthrough therapies by the FDA are also eligible for priority review of any NDA submitted for such drug candidates, which could result in FDA action on the NDA in a shorter timeframe than under standard review. In order to grant priority review designation, the FDA must find that the product, if approved, would provide a significant improvement in the safety or effectiveness of the treatment, diagnosis or prevention of a serious disease or condition. However, priority review does not guarantee approval of the NDA and may not result in a shorter overall review timeline if the FDA has significant questions or additional requests as part of the NDA review.

In addition, the FDA may grant accelerated approval to a product if the FDA determines that it 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. For example, this is currently the case with drugs for the treatment of NASH. MASH. 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. If such confirmatory studies fail to confirm the drug's clinical benefit or are not completed in a timely manner, the FDA may withdraw its approval of the drug on an expedited basis. In addition, in December 2022, President Biden signed an omnibus appropriations bill to fund the US government through fiscal year 2023. Included in the omnibus bill is the Food and Drug Omnibus Reform Act of 2022, which among other things, provided the FDA with new statutory authority to mitigate potential risks to patients from continued marketing of ineffective drugs previously granted accelerated approval and additional oversight over confirmatory trials. Under these provisions, the FDA may, among other things, require a sponsor of a product seeking accelerated approval to have a confirmatory trial underway prior to such approval being granted.

In addition, the FDA requires pre-approval of promotional materials for accelerated approval products, once approved. We cannot guarantee that the FDA will conclude that any of our drug candidates has met the criteria to receive accelerated approval, which would require us to conduct additional clinical testing prior to seeking FDA approval. Even if any of our drug

candidates received approval through this pathway, the product may fail required post-approval confirmatory clinical trials, and we may be required to remove the product from the market or amend the product label in a way that adversely impacts its marketing.

We may seek Orphan Drug Designation for drug candidates we develop, and we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for market exclusivity.

As part of our business strategy, we may seek Orphan Drug Designation for any drug candidates we develop, and we may be unsuccessful in obtaining such designation. Regulatory authorities in some jurisdictions, including the United States and the EU, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. 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.

Similarly, in the EU, the European Commission grants Orphan Drug Designation after receiving the opinion of the EMA Committee for Orphan Medicinal Products on an Orphan Drug Designation application. Orphan Drug Designation is intended to promote the development of drugs that are intended for the diagnosis, prevention or treatment of life-threatening or chronically debilitating conditions affecting not more than 5 in 10,000 persons in Europe and for which no satisfactory method of diagnosis, prevention, or treatment has been authorized (or the product would be a significant benefit to those affected). Additionally, designation is granted for drugs intended for the diagnosis, prevention, or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in Europe would be sufficient to justify the necessary investment in developing the drug. In Europe, Orphan Drug Designation entitles a party to a number of incentives, such as protocol assistance and scientific advice specifically for designated orphan medicines, and potential fee reductions depending on the status of the sponsor.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first marketing approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the EMA or the FDA from approving another marketing application for the same drug and indication for that time period, except in limited circumstances. The applicable period is seven years in the United States and ten years in the EU. The EU exclusivity period can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable such that market exclusivity is no longer justified.

Even if we obtain orphan drug exclusivity for a drug candidate, that exclusivity may not effectively protect the drug candidate from competition because different therapies can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In addition, a designated orphan drug may not receive orphan drug exclusivity if it is approved for a use that is broader than the indication

for which it received orphan designation. Moreover, orphan drug 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 quantity of the drug to meet the needs of patients with the rare disease or condition. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug candidate nor gives the drug candidate any advantage in the regulatory review or approval process. While we may seek Orphan Drug Designation for applicable indications for our current and any future drug candidates, we may never receive such designations. Even if we do receive such designations, there is no guarantee that we will enjoy the benefits of those designations.

We may be required to make significant payments under our license agreements with Emory University, KU Leuven, and Luxna Biotech Co., Ltd.

We entered into a License Agreement with Emory in June 2018 (the Emory License Agreement), a Research, Licensing and Commercialization Agreement with KU Leuven in June 2020 and an amendment in July 2023 and a

License Agreement with Luxna in December 2018 and an amendment in April 2020 (as amended, the Luxna Agreement). Under the Emory License Agreement, KU Leuven Agreement and Luxna Agreement, we are subject to significant obligations, including milestone payments, royalty payments, and certain other agreed-to costs. For more information regarding our license agreements, please see the section titled “Business—License agreements and collaborations” of this report. If these payments become due under the terms of either the Emory University License Agreement, the KU Leuven Agreement or the Luxna Agreement, we may not have sufficient funds available to meet our obligations and our development efforts may be materially harmed. Furthermore, if we are forced to raise additional funds, we may be required to delay, limit,

reduce or terminate our product development or future commercialization efforts, or grant rights to develop and market drug candidates that we would otherwise develop and market ourselves.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of any approved products.

We face an inherent risk of product liability as a result of the clinical testing of drug candidates and will face an even greater risk if we commercialize any products. For example, we may be sued if any drug candidate we develop causes or is perceived to cause illness or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of

dangers inherent in the product, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of any approved products. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any approved product;
- injury to our reputation;
- withdrawal of clinical trial participants;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary payments to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- adverse effects to our results of operations and business;
- the inability to commercialize any drug candidate; and
- a decline in our share price.

Our inability to obtain sufficient product liability insurance at an acceptable cost or at all to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop, alone or with collaboration partners.

Insurance coverage is increasingly expensive. We may not be able to maintain insurance, including product liability insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise, if at all. Our product liability insurance policy contains various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with current or future collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. For example, in March 2010, the Affordable Care Act (the ACA) was passed, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacted the U.S. pharmaceutical industry. The ACA, among other things, increased the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extended the rebate program to individuals enrolled in Medicaid managed care organizations, established annual fees and taxes on manufacturers of certain branded prescription drugs, and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries

during their coverage gap period, as a condition for the manufacturer's outpatient drugs being covered under Medicare Part D.

Since its enactment, there have been judicial, executive and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, re-examining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2032, with the exception of a temporary suspension from May 1, 2020 through March 31, 2022, unless additional Congressional action is taken. In addition, on January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers. The American Rescue Plan Act of 2021 was also signed into law, which eliminates the statutory Medicaid drug rebate cap, currently set beginning January 1, 2024. The rebate was previously capped at 100% of a drug's average manufacturer price, beginning January 1, 2024. price.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives.

There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation and regulation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. Most recently, on August 16, 2022, the Inflation Reduction Act

of 2022 (the IRA), was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services (HHS) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the drug price negotiation program is currently subject to legal challenges. For that and other reasons, it is currently unclear how the IRA will be effectuated.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in additional pricing pressure or reduced demand for any drug candidate we develop or complementary or companion diagnostics.

Failure

Our actual or perceived failure to comply with current or future federal, state and foreign laws and regulations and industry standards relating to data privacy and data protection laws could lead to government investigations and enforcement actions, which could include result in civil or criminal penalties, private litigation, and/or adverse publicity and could negatively affect our operating results, financial condition and business.

We The global data protection landscape is rapidly evolving, and we and our partners may be subject to federal, state and foreign data privacy and security laws and regulations. Failure regulations governing the collection, use, disclosure, retention, and security of personal information, such as information that we may collect in connection with clinical trials in the United States and abroad. Any actual or alleged failure by us or our third-party vendors, collaborators, contractors and consultants to comply with any of these laws and regulations could result in, among other things, notification obligations, government investigations or enforcement actions against us, which could result in among other things, fines and penalties, claims for damages by affected individuals and third parties, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations or prospects. These laws, rules and regulations evolve frequently and their scope may continually change, through new legislation, amendments to existing legislation and changes in enforcement practices, and may be inconsistent from one jurisdiction to another. The interpretation and application of consumer, health-related health information-related and data protection laws in the United States, the EU and elsewhere, are often uncertain, contradictory and in flux. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. As our

operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities.

In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), which govern the collection, use, disclosure and protection of health-related and other personal information could apply to our operations or the operations of our collaborators. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under HIPAA, the Health Insurance Portability and Accountability Act of 1996 as amended. amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and regulations implemented (collectively, HIPAA). Depending on the facts and circumstances, we could be subject to criminal penalties if we knowingly obtain, use, or disclose individually identifiable health information provided to us by a HIPAA-covered HIPAA covered entity in a manner that is not authorized or permitted by HIPAA.

Many states have also adopted comparable privacy and security laws and regulations, some of which may be more stringent than HIPAA. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. Further, we may also be subject to other state laws governing the privacy, processing and protection of personal information. For example, the California Consumer Privacy Act of 2018 (CCPA) went into effect on January 1, 2020. The CCPA, among other things, creates individual privacy rights for California consumers, such as the right to access and delete their personal information, opt-out of certain sales of personal information and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase the frequency of data breach litigation. The CCPA may increase our compliance costs and potential liability, and many similar laws have been proposed at the federal level and in other states. Further, amended by the California Privacy Rights Act (CPRA), which significantly amends (collectively, CCPA) requires certain businesses that process personal information of California residents to, among other things: provide certain disclosures to California residents regarding the CCPA, generally went business's collection, use, and disclosure of their personal information; receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt-out of certain disclosures of their personal information; and enter into effect specific contractual provisions with service providers that process California resident personal information on January 1, 2023. The CPRA imposes additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. the business's behalf. It has also created a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement, and additional compliance investment and potential business process changes may be required. Similar laws have passed in Virginia, Colorado, Connecticut and Utah, and have been proposed in other states, and are continuing to be proposed at the state and federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data

protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

We currently operate in countries outside of the United States, including Belgium, Australia and China, where laws may in some cases be more stringent than the requirements in the United States. For example, in Europe, the EU General Data Protection Regulation (GDPR) went into effect in May 2018 and imposes strict requirements for the collection, storage, use, disclosure, transfer and other processing of the personal data of individuals within the European Economic Area (EEA). or in the context of our activities within the EEA. The GDPR applies extra-territorially under certain circumstances and imposes stringent requirements on controllers and processors of personal data, including, for example, requirements to obtain consent or other legal bases from individuals to process their personal data, provide robust disclosures to individuals, accommodate a set of individual data rights, provide data security breach notifications, limit retention of personal information and apply enhanced protections to health or sensitive personal data and other special categories of personal data. data, including some of the personal data we process in respect of clinical trial

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participants which may be subject to additional compliance obligations and to local law derogations. The GDPR also applies to pseudonymized data, which is defined as “the processing of personal data in such a way that the data can no longer be attributed to a specific data subject without the use of additional information,” and imposes additional obligations when we contract with third-party processors in connection with the processing of any personal data. The GDPR provides that EU and EEA member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data, which could limit our ability to use and share personal data, could cause our costs to increase and could harm our financial condition. Failure to comply with the requirements of the GDPR could result in fines of up to €20 million or 4% of the total worldwide annual turnover of our preceding fiscal year, whichever is higher, and higher. In addition to fines, a breach of the GDPR may result in regulatory investigations, reputational damage, orders to cease/ change our data processing activities, enforcement notices, assessment notices (for a compulsory audit), civil claims (including class actions) and/or other administrative penalties.

Further, from January 1, 2021, we have to comply with the GDPR and also the United Kingdom GDPR (UK GDPR), which, together, with the amended Data Protection Act 2018, retains the GDPR in UK national law (collectively, the latter regime having “UK GDPR”), and imposes separate but similar obligations to those under the ability to separately fine GDPR and comparable penalties, including fines up to the greater of £17.5 million or 4% of global turnover.turnover of the annual global revenues of the noncompliant undertaking.

The Among other requirements, the GDPR further prohibits, without an appropriate legal basis, regulates the transfer of personal data to third countries outside of the EEA, such as the United States, which are not considered by the European Commission to provide an adequate level of personal data protection. Recent protection, and the efficacy and longevity of current transfer mechanisms between the EEA, and the United States remains uncertain. We currently rely on approved data transfer mechanisms such as the EU standard contractual clauses (SCCs), the UK Addendum to the SCCs, the UK International Data Transfer Agreement and the new EU-U.S. Data Privacy Framework (DPF) to transfer personal data outside the EEA and the UK, including to the United States, with respect to both intragroup and third party transfers. We expect the existing legal developments in Europe have created complexity and uncertainty regarding transfers of international personal data from transfers to continue. In particular, we expect the EEA to the United States. For example, in July 2020, the Court of Justice adequacy of the EU (CJEU) limited how organizations could lawfully DPF as an approved GDPR transfer personal data from the EU/EEA mechanism to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by invalidating the Privacy Shield for purposes of international transfers and imposing further restrictions on the use of standard contractual clauses (SCCs). In March 2022, the US and EU announced a new regulatory regime intended to replace the invalidated regulations; however, this new EU-US Data Privacy Framework has not been implemented beyond an executive order signed by President Biden on October 7, 2022 on Enhancing Safeguards for United States Signals Intelligence Activities. European court and regulatory decisions subsequent to the CJEU decision of July 16, 2020 have taken a restrictive approach to international data transfers. regulators. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the SCCs cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Compliance with U.S. and foreign privacy and security laws, rules and regulations could require us to take on more onerous obligations in our contracts, require us to engage in costly compliance exercises, restrict our ability to collect, use and disclose data, or in some cases, impact our or our partners' ability to operate in certain jurisdictions. Each of these evolving laws can be subject to varying interpretations. Failure Our actual or alleged failure by us or our employees, representatives, contractors, consultants, collaborators, or other third parties to comply with U.S. and foreign data protection laws and regulations could result in government investigations and enforcement actions (which could include civil or criminal penalties), fines and penalties, private litigation, and/or adverse publicity and could negatively affect our financial condition, operating results and business.

Our business and operations may suffer in the event that our information technology systems, or those used by our CROs or other contractors or consultants, fail or suffer security breaches.

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and the personal information of our employees and contractors. Despite the implementation of security measures, our information technology systems and those of our CROs and other contractors and consultants are vulnerable to attack, damage and interruption from cyber-attacks, natural disasters, terrorism, war, telecommunication and electrical

failures, cyber-attacks, computer hacks, employee theft or misuse, fraud, viruses and malware (e.g., ransomware), malicious software, phishing employee and other social engineering schemes, human error, denial-of-service denial or degradation-of-service attacks, sophisticated nation-state and nation-state-supported actors, and other unauthorized access and other security breaches that could jeopardize the confidentiality, integrity, and/or performance of our software, information technology systems, and computer systems, data, and could expose us to legal, financial and reputational harm. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

Attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. As a result of the COVID-19 pandemic, we may also face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working continue to work remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence.

We and certain of our service providers are from time to time subject to cyberattacks and security incidents. While we have not to our knowledge experienced any significant system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. operations, whether due to a loss, corruption or unauthorized disclosure of our trade secrets, personal information or other proprietary or sensitive information or other similar disruptions. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our marketing approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties for the manufacture of our drug candidates and to conduct clinical trials, and similar events relating to their computer information technology systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur be subject to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties, fines and significant liability and the development and commercialization of our future drug candidates could be delayed. Further, if we

or our third-party vendors were to experience a significant cybersecurity breach of our or their information systems or data, the costs associated with the investigation, remediation and potential notification of the breach to counter-parties and data subjects could be material. In addition, our remediation efforts may not be successful. Further, our insurance coverage may not be sufficient to cover the financial, legal, business or reputational losses that may result from an interruption or breach of our systems.

Risks related to reliance on third parties

We depend on collaborations with third parties for the development of certain of our potential drug candidates, and we may depend on additional collaborations in the future for the development and commercialization of these or other potential candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these drug candidates.

We are currently collaborating with third parties to develop certain of our potential drug candidates. For example, we are collaborating with Merck with respect to the discovery, research and development of oligonucleotides against a NASH MASH target. In the future, we may form or seek strategic alliances, joint ventures, or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to drug candidates we develop.

Collaborations involving our current and future drug candidates may pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, aban a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly v our products (if any) or drug candidates;
- a collaborator with marketing, manufacturing and distribution rights to one or more products may not commit sufficier resources to or may otherwise not perform satisfactorily in carrying out these activities;

- collaborators may not properly prosecute, maintain, enforce or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate ou

intellectual property or proprietary information or expose us to potential litigation, or other intellectual property proceedings;

- collaborators may own or co-own intellectual property covering products that result from our collaboration with them, in such cases, we may not have the exclusive right to develop, license or commercialize such intellectual property;
- disputes may arise with respect to ownership of any intellectual property developed pursuant to our collaborations;
- disputes may arise between a collaborator or strategic partner and us that cause the delay or termination of the research, development or commercialization of the drug candidate, or that result in costly litigation or arbitration that diverts management attention and resources; and
- if a current or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated.

As a result, if we enter into additional collaboration agreements and strategic partnerships or license our intellectual property, products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. Any delays in entering into new collaborations or strategic partnership agreements related to any drug candidate we develop could delay the development and commercialization of our drug candidates, which would harm our business prospects, financial condition, and results of operations.

We may seek to establish additional collaborations, and, if we are not able to establish them on commercially reasonable terms, we may have to alter our development and commercialization plans.

The advancement of our drug candidates and development programs and the potential commercialization of our current and future drug candidates will require substantial additional cash to fund expenses. For some of our programs, we may decide to collaborate with other pharmaceutical and biotechnology companies with respect to development and potential commercialization. Any of these relationships may require us to incur non-recurring and other charges, increase our near- and long-term expenditures, issue securities that dilute our existing stockholders, divert our management's attention and disrupt our business.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for any other collaborations will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the progress of our clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject drug candidate, the costs and complexities of manufacturing and delivering such drug candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative drug candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one

with us for our drug candidate. Further, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future drug candidates because they may be deemed to be at too early of a stage of development for collaborative efforts and third parties may not view them as having the requisite potential to demonstrate safety and efficacy.

We may also be restricted under future collaboration agreements from entering into additional agreements on certain terms with potential collaborators.

In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the drug candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our drug candidates or bring them to market and generate product revenue.

If conflicts arise between us and our collaborators or strategic partners, these parties may act in a manner adverse to us and could limit our ability to implement our strategies.

If conflicts arise between our academic collaborators or strategic partners and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. Current or future collaborators or strategic partners may develop, either alone or with others, products in related fields that are competitive with the products or potential products that are the subject of these collaborations.

Our current or future collaborators or strategic partners may preclude us from entering into collaborations with their competitors, fail to obtain timely regulatory approvals, terminate their agreements with us prematurely, or fail to devote sufficient resources to the development and commercialization of products. Furthermore, competing products, either developed by our current or future collaborators or strategic partners or to which our collaborators or strategic partners may have rights, may result in the withdrawal of partner support for our drug candidates. Any of these developments could harm our product development efforts.

We rely on third parties to conduct our ongoing and planned clinical trials and certain of our nonclinical studies for drug candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing

approval for or commercialize the drug candidates we are developing and our business could be substantially harmed.

We do not have the ability to independently conduct certain nonclinical studies and clinical trials. We rely on medical institutions, clinical investigators, contract laboratories, and other third parties, such as CROs, to conduct or otherwise support certain nonclinical studies and clinical trials for our drug candidates, including ALG-055009, ALG-000184, ALG-097558 and ALG-125755, and we control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our nonclinical studies and clinical trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on CROs will not relieve us of our regulatory responsibilities. For any violations of laws and regulations during the conduct of our nonclinical studies or clinical trials, we could be subject to untitled and warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

We and our CROs are required to comply with regulations and requirements, including GLP and GCP, for conducting, monitoring, recording and reporting the results of nonclinical studies and clinical trials, respectively, to ensure that the data and results are scientifically credible and accurate, and that the trial patients 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 Competent Authorities of the Member States of the EEA and comparable foreign regulatory authorities for any drugs in clinical development. The FDA enforces GLP and GCP requirements through periodic inspections of laboratories conducting studies, clinical trial sponsors, principal investigators and trial sites. If we or our CROs fail to comply with applicable GLP or GCP, the data generated in our nonclinical studies or clinical trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional nonclinical studies before allowing us to proceed with clinical trials or additional clinical trials before approving our marketing applications. We cannot assure you that, upon inspection, the FDA will determine that any of our future nonclinical studies or clinical trials will comply with GLP or GCP, as applicable. In addition, our nonclinical studies and clinical trials must be conducted with drug candidates produced under cGMP regulations. Our failure or the failure of our CROs to comply with these regulations may require us to delay or repeat nonclinical studies or clinical trials, which would delay the marketing approval process and could also subject us to enforcement action. We also are required to register certain ongoing clinical trials and provide certain information, including information relating to the trial's protocol, on a government-sponsored database, ClinicalTrials.gov, within specific timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Although we intend to design the nonclinical studies and clinical trials for our drug candidates, CROs conduct all of the clinical trials and certain nonclinical studies. As a result, many important aspects of our nonclinical and clinical development, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct future nonclinical studies and clinical trials will also result in less direct control over the management of data developed through nonclinical studies or clinical trials than would be the case if we were relying entirely upon our 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;
- undergo changes in priorities;
- become financially distressed; or
- form relationships with other entities, some of which may be our competitors.

These factors may materially adversely affect the willingness or ability of third parties to conduct our nonclinical studies or clinical trials and may subject us to unexpected cost increases and/or delays that are beyond our control. If the CROs do not perform nonclinical studies or clinical trials in a satisfactory manner, breach their obligations to us or fail to comply with regulatory requirements, the development, marketing approval and commercialization of our drug candidates may be delayed, we may not be able to obtain marketing approval and commercialize our drug candidates, or our development program may be materially and irreversibly harmed. If we are unable to rely on nonclinical or clinical data collected by our CROs, we could be required to repeat, extend the

duration of, or increase the size of any nonclinical studies or clinical trials we conduct and this could significantly delay commercialization and require significantly greater expenditures.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs on commercially reasonable terms, or at all. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the nonclinical or clinical data they obtain are compromised due to the failure to adhere to our protocols, regulatory requirements or for other reasons, or if they are negatively impacted by the COVID-19 pandemic, any nonclinical studies or clinical trials such CROs are associated with may be extended, delayed or terminated, and we may not be able to obtain marketing approval for or successfully commercialize our drug candidates. As a result, we believe that our financial results and the commercial prospects for our drug candidates in the subject indication would be harmed, our costs would increase and our ability to generate revenue would be delayed.

We rely on third parties to manufacture nonclinical and clinical drug supplies, and we intend to rely on third parties to produce commercial supplies of any approved product which increases the risk that we will not have sufficient quantities of such drug candidates or products or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We do not own or operate manufacturing facilities for the production of nonclinical, clinical or commercial supplies of the drug candidates that we are developing or evaluating in our development programs. We have limited personnel with experience in drug manufacturing and lack the resources and the capabilities to manufacture any of our drug candidates on a nonclinical, clinical or commercial scale. We rely on third parties for supply of our nonclinical and clinical drug supplies (including key starting and intermediate materials), and our strategy is to outsource all manufacturing of our drug candidates and products to third parties. A disruption or termination in the supply of nonclinical or clinical drug supplies due to our reliance on third parties and/or a disruption in the supply chain generally could delay, prevent or impair our development or commercialization efforts.

In order to conduct clinical trials of drug candidates, we will need to have them manufactured in potentially large quantities. Our third-party manufacturers may be unable to successfully increase the manufacturing capacity for any of our clinical drug supplies (including key starting and intermediate materials) in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities and at any other time. For example, ongoing data on the stability of our drug candidates may shorten the expiry of our drug candidates and lead to clinical trial material supply shortages, and potentially clinical trial delays. If these third-party manufacturers are unable to successfully scale up the manufacture of our drug candidates in sufficient quality and quantity, the

development, testing and clinical trials of that drug candidate may be delayed or infeasible, and regulatory approval or commercial launch of that drug candidate may be delayed or not obtained, which could significantly harm our business.

Our use of new third-party manufacturers increases the risk of delays in production or insufficient supplies of our drug candidates (and the key starting and intermediate materials for such drug candidates) as we transfer our manufacturing technology to these manufacturers and as they gain experience manufacturing our drug candidates (and the key starting and intermediate materials for such drug candidates).

Even after a third-party manufacturer has gained significant experience in manufacturing our drug candidates (or the key starting and intermediate materials for such drug candidates) or even if we believe we have succeeded in optimizing the manufacturing process, there can be no assurance that such manufacturer will produce sufficient quantities of our drug

candidates (or the key starting and intermediate materials for such drug candidates) in a timely manner or continuously over time, or at all.

We may be delayed if we need to change the manufacturing process used by a third party. Further, if we change an approved manufacturing process, then we may be delayed if the FDA or a comparable foreign authority needs to review the new manufacturing process before it may be used.

We do not currently have any agreements with third-party manufacturers for long-term commercial supply. In the future, we may be unable to enter into agreements with third-party manufacturers for commercial supplies of any drug candidate that we develop, or may be unable to do so on acceptable terms. Even if we are able to establish and maintain arrangements with third-party manufacturers, reliance on third-party manufacturers entails risks, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party;

- the possible misappropriation of our proprietary information, including our trade secrets and know-how; and
- the possible termination or non-renewal of the agreement by the third party at a time that is costly or inconvenient for

Third-party manufacturers may not be able to comply with cGMP requirements or similar regulatory requirements outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable requirements could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or products, operating restrictions and/or criminal prosecutions, any of which could significantly and adversely affect supplies of our drug candidates.

Our future drug candidates and any products that we may develop may compete with other drug candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP requirements and that might be capable of manufacturing for us.

If the third parties that we engage to supply any materials or manufacture product for our nonclinical studies and clinical trials should cease to continue to do so for any reason, we likely would experience delays in advancing these studies and trials while we identify and qualify replacement suppliers or manufacturers and we may be unable to obtain replacement supplies on terms that are favorable to us or at all. In addition, if we are not able to obtain adequate supplies of our drug candidates or the substances used to manufacture them, it will be more difficult for us to develop our drug candidates and compete effectively.

Some of our third-party manufacturers which we use for the supply of materials for drug candidates or other materials necessary to manufacture product to conduct clinical trials are located could experience unexpected disruptions from man-made or natural disasters or public health pandemics or epidemics or other business interruptions which, if they occurred, might result in countries affected by COVID-19, and should they experience disruptions, such as temporary closures or suspension of services, we would likely experience delays in advancing our clinical development.

Our current and anticipated future dependence upon others for the manufacture of our drug candidates (or the key starting and intermediate materials for such drug candidates) may adversely affect our future profit margins and our ability to

develop drug candidates and commercialize any products that receive marketing approval on a timely and competitive basis.

Our future relationships with customers and third-party payors in the United States and elsewhere may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, transparency, and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act (the FCA), which may constrain the business or financial arrangements and relationships through which we sell, market and distribute any products for which we obtain marketing approval. In addition, we may be subject to transparency laws by the U.S. federal and state governments and by governments in foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs or other federal healthcare programs. A person or entity can be found guilty of violating the statute without actual knowledge of the statute or specific intent to violate it. The Anti-Kickback Statute h been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other;
- the federal civil and criminal false claims laws, including the FCA, which prohibit any person or entity from, among ot things, knowingly presenting, or causing to be presented, a false, fictitious or

fraudulent claim for payment to, or approval by, the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA;

- HIPAA, which created federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execut

scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthc benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federa Anti-Kickback Statute, a person or entity can be found guilty of violating HIPAA without actual knowledge of the statu or specific intent to violate them;

- the Physician Payments Sunshine Act, created under the ACA, and its implementing regulations, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists podiatrists and chiropractors), certain other healthcare professionals (including physician assistants, nurse practition clinical nurse specialists, certified nurse anesthetists, anesthesiology assistants and certified nurse-midwives)and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities potentially harm consumers; and
- analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales o marketing arrangements and healthcare items or services reimbursed by non-governmental third-party payors, inclu private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the

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relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be m to healthcare providers; state laws that require drug manufacturers to report information related to payments and oth transfers of value to physicians and other healthcare providers or marketing expenditures; and healthcare laws in the EU and other jurisdictions, including reporting requirements detailing interactions with and payments to healthcare providers.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available under such laws, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring that our business arrangements with third parties comply with applicable healthcare laws, as well as responding to

investigations by government authorities, can be time- and resource-consuming and can divert management's attention from the business.

If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from participation in federal- and state-funded healthcare programs, contractual damages and the curtailment or restricting of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, any of which could harm our ability to operate our business and our financial results. Further, if the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs. In addition, the

approval and commercialization of any drug candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

Risks related to intellectual property

If we and our collaborators are unable to obtain, maintain, protect and enforce sufficient patent and other intellectual property protection for our drug candidates and technology, our competitors could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market or successfully commercialize any drug candidates we may develop.

Our success depends in significant part on our ability and the ability of our current or future collaborators and licensors to obtain, maintain, enforce and defend patents and other intellectual property rights with respect to our drug candidates and technology and to operate our business without infringing, misappropriating, or otherwise violating the intellectual property rights of others. If we and our current or future collaborators and licensors are unable to obtain and maintain sufficient intellectual property protection for our drug candidates or other drug candidates that we may identify, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors and other third parties could develop and commercialize drug candidates similar or identical to ours, and our ability to successfully commercialize our drug candidates and other drug candidates that we may pursue may be impaired. While we own some issued or allowed patents with respect to our programs, including our CHB and NASH MASH programs, we do not own or in-license any issued patents with claims that specifically recite our ALG-125755 ALG-125755 or ALG-097558 ALG-097558 drug candidates. We can provide no assurance that any of our other current or future patent applications will result in issued patents or that any issued patents will provide us with any competitive advantage. We cannot be certain that there is no invalidating prior art of which we and the patent examiner are unaware or that our interpretation of the relevance of prior art is correct. If a patent or patent application is determined to have an earlier priority date, it may prevent our patent applications from issuing at all or issuing in a form that provides any competitive advantage for our drug candidates. Failure to obtain additional issued patents could have a material adverse effect on our ability to develop and commercialize our drug candidates. Even if our patent applications do issue as patents, third parties may be able to challenge the validity and enforceability of our patents on a variety of grounds, including

that such third party's patents and patent applications have an earlier priority date, and if such challenges are successful, we may be required to obtain one or more licenses from such third parties, or be prohibited from commercializing our drug candidates.

We seek to protect our proprietary positions by, among other things, filing patent applications in the United States and abroad related to our current drug candidates and other drug candidates that we may identify. Obtaining,

maintaining, defending and enforcing pharmaceutical patents is costly, time consuming and complex, and we may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may issue from such patent applications, at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, under certain of our license or collaboration agreements, we may not have the right to control the preparation, filing, prosecution and maintenance of patent applications, or to maintain the rights to patents licensed to or from third parties.

We currently are the assignee of a number of U.S. provisional patent applications. U.S. provisional patent applications are not eligible to become issued patents until, among other things, we file a non-provisional patent application within 12 months of filing one or more of our related provisional patent applications. With regard to such U.S. provisional patent applications, if we do not timely file any non-provisional patent applications, we may lose our priority dates with respect to our provisional patent applications and any patent protection on the inventions disclosed in our provisional patent applications. Further, in the event that we do timely file non-provisional patent applications relating to our provisional patent applications, we cannot predict whether any such patent applications will result in the issuance of patents or if such issued patents will provide us with any competitive advantage.

Although we enter into confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach these agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Further, we may not be aware of all third-party intellectual property rights potentially relating to our drug candidates. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or, in some cases, not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions

claimed in our patents or pending patent applications, or that we were the first to file for patent protection of such inventions.

The patent position of pharmaceutical companies generally is highly uncertain, involves complex legal, technological and factual questions and has, in recent years, been the subject of much debate and litigation throughout the world. In addition, the laws of foreign countries may not protect our rights to the same extent as the laws of the United States, or vice versa. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain. The subject matter claimed in a patent application can be significantly reduced or eliminated before the patent issues, if at all, and its scope can be reinterpreted or narrowed after issuance. Therefore, our pending and future patent applications may not result in patents being issued in relevant jurisdictions that protect our drug candidates, in whole or in part, or that effectively prevent others from commercializing competitive drug candidates, and even if our patent applications issue as patents in relevant jurisdictions, they may not issue in a form that will provide us with any meaningful protection for our drug candidates or technology, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Additionally, our competitors may be able to circumvent our patents by challenging their validity or by developing similar or alternative drug candidates or technologies in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. We may be subject to a third-party preissuance submission of prior art to the United States Patent and Trademark Office (the USPTO), or become involved in opposition, derivation, revocation, reexamination, *inter partes* review, post-grant review or interference proceedings challenging our patent rights or the patent rights of others, or other proceedings in the USPTO or applicable foreign offices that challenge priority of invention or other features of patentability. An adverse determination in any such submission, proceeding or litigation could result in loss of exclusivity or ability to sell our products free from infringing the patents of third parties, patent claims being narrowed, invalidated or held unenforceable, in whole or in part, and limitation of the scope or duration of the patents directed to our drug candidates, all of which could limit our ability to stop others from using or commercializing similar or identical drug candidates or technology to compete directly with us, without payment to us, or result in our inability to manufacture or commercialize drug candidates or approved products (if any) without infringing third-party patent rights. In addition, if the breadth or strength of the claims of our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future drug candidates, or could have a material adverse effect on our ability to raise funds

necessary to continue our research programs or clinical trials. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us.

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

We have entered into licensing and collaboration agreements with third parties. If we fail to comply with our obligations in the agreements under which we license intellectual property rights to or from third parties, or these agreements are terminated, or we otherwise experience disruptions to our business relationships with our licensors or licensees, our competitive position, business, financial condition, results of operations and prospects could be harmed.

In addition to patent and other intellectual property rights we own or co-own, we have licensed, and may in the future license, patent and other intellectual property rights to and from other parties. In particular, we have in-licensed significant intellectual property rights from Emory and Luxna. Licenses may not provide us with exclusive rights to use the applicable intellectual property and technology in all relevant fields of use and in all territories in which we may wish to develop or commercialize our drug candidates, products (if approved) and technology in the

future. As a result, we may not be able to prevent competitors from developing and commercializing competitive products or technologies.

In addition, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications or to maintain, defend and enforce the patents that we license to or from third parties, and we may have to rely on our partners to fulfill these responsibilities. For example, under the Luxna Agreement, we obtained a license from Luxna under patents relevant to certain aspects of our HBV programs as well as to various potential therapies, which we are pursuing to address SARS-CoV-2. Although we have review and comment rights regarding prosecution of patents that we license under the Luxna Agreement, Luxna retains ultimate decision-making control with respect to the prosecution of these patents. Additionally, under the Emory License Agreement, we obtained a license from Emory University under patents relevant to certain aspects of our small molecule CHB program. Although we direct prosecution of patents licensed under the Emory License Agreement, we are obligated to consult with Emory University with respect to prosecution of these patents and Emory and its counsel are responsible for making all filings related to such prosecution. Similarly, although we will control the prosecution of jointly developed patents resulting from our collaboration with the Rega Institute for Medical Research and the Centre for Drug Design and Discovery CD3 under the KU Leuven Agreement, we are obligated to consult with such parties with respect to prosecution of these patents. Consequently, any such licensed patents and applications may not be prepared, filed, prosecuted, maintained, enforced, and defended in a manner consistent with the best interests of our business. If our

current or future licensors, licensees or collaborators fail to prepare, file, prosecute, maintain, enforce, and defend licensed patents and other intellectual property rights, such rights may be reduced or eliminated, and our right to develop and commercialize any of our drug candidates or technology that are the subject of such licensed rights could be adversely affected. In addition, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights.

If we fail to comply with our obligations, including the obligation to make various milestone payments and royalty payments, under any of the agreements under which we license intellectual property rights from third parties, such as the Emory License Agreement or Luxna Agreement, the licensor may have the right to terminate the license. Under some of our in-license agreements, as a sublicensee, we may be obligated to comply with applicable requirements, limitations or obligations of our sublicensors to other third parties. For example, the Luxna Agreement includes rights that Luxna in-licensed from Osaka University (Osaka), which are in turn sublicensed to us. Prior to granting such rights to Luxna, Osaka granted certain rights to third parties and therefore the rights we in-license

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from Luxna are subject to such third-party rights. Although we understand that these rights granted to such third parties are for uses outside the scope of our business, license agreements are complex, subject to multiple interpretations and disputes may arise regarding scope of such licensed rights. Further, under the Luxna Agreement and other in-licenses under which we sublicense certain rights, we rely on Luxna and our other sublicensors to comply with their obligations under their upstream license agreements, where we may have no relationship with the original licensor of such rights. If our sublicensors fail to comply with their obligations under their upstream license agreements, and the upstream license agreements are consequently terminated, such termination may result in the termination of our sublicenses.

If any of our license agreements are terminated, the underlying licensed patents fail to provide the intended exclusivity or we otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are important to our business or be prevented from developing and commercializing our drug candidates, and competitors could have the freedom to seek regulatory approval of, and to market, products identical to ours. Termination of these agreements or reduction or elimination of our rights under these agreements may also result in our having to negotiate new or reinstated agreements with less favorable terms, cause us to lose our rights under these agreements, including our rights to important intellectual property or technology, or impede, delay or prohibit the further development or commercialization of one or more drug candidates that rely on such agreements. It is possible that we may be unable to obtain any additional licenses at a reasonable cost or on reasonable terms, if at all. In that event, we may be required to

expend significant time and resources to redesign our drug candidates or the methods for manufacturing them or to develop or license replacement technology, all of which may not be feasible on a technical or commercial basis.

In addition, the research resulting in certain of our owned and in-licensed patent rights and technology may have been funded in part by the U.S. federal or state governments. As a result, the government may have certain rights, including march-in rights, to such patent rights and technology. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention for noncommercial purposes. These rights may permit the government to disclose our confidential information to third parties or allow third parties to use our licensed technology. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, or because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues and certain provisions in intellectual property license agreements may be susceptible to multiple interpretations. Disputes may arise between us and our licensing partners 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 technology and processes of one party infringe intellectual property of the other part that are not subject to the licensing agreement;
- rights to sublicense patent and other rights to third parties;
- any diligence obligations with respect to the use of the licensed technology in relation to development and commercialization of our drug candidates, and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property;
- rights to transfer or assign the license; and
- the effects of termination.

The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could harm our business, financial condition, results of operations and prospects. If disputes over intellectual property that we have licensed prevent or

impair our ability to maintain our current licensing arrangements on acceptable terms or at all, we may be unable to successfully develop and commercialize the affected drug candidates. Moreover, any dispute or disagreement with our licensing partners may result in the delay or termination of the research, development or commercialization of our drug candidates or any future drug candidates, and may result in costly litigation or arbitration that diverts management attention and resources away from our day-to-day activities, which may adversely affect our business, financial conditions, results of operations and prospects.

Furthermore, current and future collaborators or strategic partners may develop, either alone or with others, products in related fields that are competitive with the products or potential products that are the subject of these collaborations. Competing products, either developed by our collaborators or strategic partners or to which the collaborators or strategic partners have rights, may result in the withdrawal of partner support for our drug candidates. Any of these developments could harm our product development efforts.

In addition, if our licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties or if the licensed patents or other rights are found to be invalid or unenforceable, our business, competitive position, financial condition, results of operations and prospects could be materially harmed. For more information regarding our license agreements, see the section titled “Business—License agreements and collaborations” of this report.

If we are unable to obtain licenses from third parties on commercially reasonable terms or at all, our business could be harmed.

It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products (if approved), in which case we would be required to obtain a license from these third parties. The licensing of third-party intellectual property rights is a competitive area, and more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. More established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to license such technology, or if we are forced to license such technology on unfavorable terms, our business could be materially harmed. If we are unable to obtain a necessary license, we may be unable to develop or commercialize the affected drug candidates, which could materially harm our business, and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation. Even if we are able to obtain a license, it may be or become non-exclusive, thereby giving our competitors access to the same technologies licensed to us. For example, under the Emory License Agreement we currently have an exclusive license with respect to certain patents and a non-exclusive license with respect to certain of Emory’s specified know-how. In June 2022, the license to such patents

became non-exclusive with respect to all fields except for the treatment and prevention of HBV. For more information regarding our license agreements, see the section titled “Business—License agreements and collaborations” of this report. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

We cannot guarantee that any of our or our licensors’ patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending patent application in the United States and abroad that is relevant to or necessary for the commercialization of our drug candidates in any jurisdiction. For example, U.S. patent applications filed before November 29, 2000 and certain U.S. patent applications filed after that date that will not be filed outside the United States remain confidential until patents issue. As mentioned above, patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our drug candidates could have been filed by third parties without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our drug candidates or the use of our drug candidates. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a

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patent and the patent’s prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our drug candidates. We may incorrectly determine that our drug candidates are not covered by a third-party patent or may incorrectly predict whether a third party’s pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our drug candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our drug candidates.

We are aware of certain third-party issued patents and pending patent applications, including those of our competitors, that, if issued with their current claim scope, may be construed to cover our drug candidates, including ALG-055009 and ALG-125755. ALG-125755. In the event that any of these patents were asserted against us, we believe that we would have defenses against any such action, including that such patents are not valid. However, if any such patents were to be asserted against us and our defenses to such assertion were unsuccessful and alternative technology was not available or

technologically or commercially practical, unless we obtain a license to such patents, we could be liable for damages, which could be significant and include treble damages and attorneys' fees if we are found to willfully infringe such patents, and we could be precluded from commercializing any drug candidates that were ultimately held to infringe such patents.

In addition, if we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we fail in any such dispute, in addition to being forced to pay damages, which may be significant, we may be temporarily or permanently prohibited from commercializing any of our drug candidates that are held to be infringing. We might, if possible, also be forced to redesign drug candidates so that they no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business and could adversely affect our business, financial condition, results of operations and prospects.

Patent terms may be inadequate to establish our competitive position on our drug candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our drug candidates are obtained, once the patent life has expired for a drug candidate, we may be open to competition from competitive medications, including generic versions. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents directed towards such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours for a meaningful amount of time, or at all.

Depending upon the timing, duration and conditions of any FDA marketing approval of our drug candidates, one or more of our owned or licensed U.S. patents may be eligible for limited patent term extension under the Hatch-Waxman Act, and similar legislation in the EU and certain other countries. The Hatch-Waxman Act permits a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval and only those claims for the approved drug, a method for using it or a method for manufacturing it may be extended. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable drug candidate will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and nonclinical data and launch their product earlier than might otherwise be the case, and our competitive position, business, financial condition, results of operations and prospects could be materially harmed.

Further, there are detailed rules and requirements regarding the patents that may be submitted to the FDA for listing in the Orange Book. We may be unable to obtain patents covering our drug candidates that contain one or more claims that satisfy the requirements for listing in the Orange Book. Even if we submit a patent for listing in the Orange Book, the FDA may decline to list the patent, or a manufacturer of generic drugs may challenge the listing. If one of our drug candidates is approved and a patent covering that drug candidate is not listed in the Orange Book, a manufacturer of generic drugs would not have to provide advance notice to us of any abbreviated new drug application filed with the FDA to obtain permission to sell a generic version of such drug candidate. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

Filing, prosecuting, maintaining, defending and enforcing patents on our drug candidates in all countries throughout the world would be prohibitively expensive, and consequently our intellectual property rights in some countries outside the United States may be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patents to develop their own products and may export otherwise infringing products to territories where we have patents, but enforcement rights are not as strong as those in the United States. These products may compete with our drug candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries do not favor the enforcement or protection of patents, trade secrets and other intellectual property, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our intellectual property and proprietary rights generally. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful.

Many foreign countries, including some EU countries, India, Japan and China, have compulsory licensing laws under which a patent owner may be compelled under specified circumstances to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of the applicable patents and limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license, which could adversely affect our business, financial condition, results of operations and prospects.

In 2012, addition, on June 1, 2023, the European Patent Package, or EU Patent Package, regulations were passed implemented with the goal of providing a single pan-European Unitary Patent and a new European Unified Patent Court, or UPC, for litigation involving European patents. Implementation of the EU Patent Package will likely occur in the first half of 2023. Under the UPC, all European patents, including those issued prior to ratification of the European Patent Package, will by default automatically fall under the jurisdiction of the UPC. The UPC will provide our competitors with a new forum to centrally revoke our European patents, and allow for the possibility of a competitor to obtain pan-European injunctions. It will be several years before we will understand the scope of patent rights that will be recognized and the strength of patent remedies that will be provided by the UPC. Under the EU Patent Package as currently proposed, we will have the right to opt our patents out of the UPC over the first seven years of the court's existence, but doing so may preclude us from realizing the benefits of the new unified court.

Moreover, geo-political actions in the U.S. and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors and the maintenance, enforcement or defense of our issued patents or those of any current or future licensors. For example, the U.S. and foreign government actions related to Russia's conflict in Ukraine may limit or prevent filing, prosecution, and maintenance of patent applications in Russia. Government actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of our patents or patent applications,

resulting in partial or complete loss of patent rights in Russia. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees from the U.S. without consent or compensation. Consequently, we would not be able to prevent third parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates.

Obtaining and enforcing patents in the pharmaceutical industry is inherently uncertain, due in part to ongoing changes in the patent laws. For example, in the United States, depending on decisions by Congress, the federal courts, and the USPTO, the laws and regulations governing patents, and interpretation thereof, could change in unpredictable ways that could weaken our and our collaborators' or licensors' ability to obtain new patents or to enforce existing or future patents. For example, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Therefore, there is increased uncertainty with regard to our and our collaborators' or licensors' ability to obtain patents in the future, as well as uncertainty with respect to the value of patents once obtained.

Patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our collaborators' or licensors' patent applications and the enforcement or defense of our or our collaborators' or

licensors' issued patents. For example, assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act (the Leahy-Smith Act), enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications filed after March 2013 are prosecuted and may also affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to challenge the validity of a patent by USPTO-administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. The USPTO has developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, particularly the first inventor-to-file provisions. Accordingly, it is not clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our or our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents. Similarly, statutory or judicial changes to the patent laws of other countries may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. All of the foregoing could harm our business, financial condition, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time-consuming and unsuccessful, and issued patents directed towards our technology and drug candidates could be found invalid or unenforceable if challenged.

Competitors and other third parties may infringe or otherwise violate our issued patents or other intellectual property or the patents or other intellectual property of our licensors and collaborators. In addition, our patents or the patents of our licensors and collaborators may become involved in inventorship or priority disputes. To counter infringement or other

unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Significantly, our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. Our ability to enforce patent rights also depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products and services. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product or service. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents or that our patents are invalid or unenforceable. In a patent infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology. An adverse result in any litigation proceeding could put one or

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more of our owned or licensed patents at risk of being invalidated, held unenforceable or interpreted narrowly. We may find it impractical or undesirable to enforce our intellectual property against some third parties.

If we were to initiate legal proceedings against a third party to enforce a patent directed to our drug candidates, or one of our future drug candidates, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or insufficient written description. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before the USPTO or an equivalent foreign body, even outside the context of litigation. Potential proceedings include reexamination, post-grant review, inter partes review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our technology or any drug candidates that we may develop. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent rights directed towards the applicable drug candidates or

technology related to the patent rendered invalid or unenforceable. Such a loss of patent rights would materially harm our business, financial condition, results of operations and prospects.

Interference proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be materially harmed if the prevailing party does not offer us a license on commercially reasonable terms.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

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

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

Our commercial success depends upon our ability to develop, manufacture, market and sell our drug candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property and other proprietary rights of third parties. There is considerable intellectual property litigation in the pharmaceutical industry. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our drug candidates and their manufacture and our other technology, including reexamination, interference, post-grant review, inter partes review or derivation proceedings before the USPTO or an equivalent foreign body. Numerous U.S.- and foreign-issued patents and pending patent applications owned by third parties exist in the fields in which we are developing our drug candidates. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit.

Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of claim scope, infringement, validity, enforceability or priority. A court of competent jurisdiction could hold that third-party patents asserted against us are valid, enforceable and infringed, which could materially and adversely affect our ability to commercialize any drug candidates we may develop and any other drug candidates or technologies covered by the asserted third-party patents. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. If we are found to infringe, misappropriate or otherwise violate a third party's intellectual property rights, and we are unsuccessful in demonstrating that such rights are invalid or unenforceable, we could be required to obtain a license from such a third party in order to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be or may become non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. A finding of infringement could prevent us from commercializing our drug candidates or force us to cease some of our business operations. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, pay royalties and other fees, redesign our infringing drug candidate or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

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

Many of our employees were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. We may also be subject to claims that patents and applications we have filed to protect inventions made on our behalf by our employees, consultants and advisors, even those related to one or more of our drug candidates, are rightfully owned by their former or concurrent employer. Litigation may be necessary to defend against these claims.

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

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

We or our licensors may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in-licensed patents, trade secrets, or other intellectual property as an inventor or co-inventor. For example, we or our licensors or collaborators may have inventorship disputes arising from conflicting obligations of employees, consultants or others who are involved in developing our drug candidates. While it is our policy to require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. Our and their assignment agreements may not be self-executing or may be breached, and litigation may be necessary to defend against these and other claims challenging inventorship or our or our licensors' or collaborators' ownership of our owned or in-licensed patents, trade secrets or other intellectual property. If we or our licensors or collaborators fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property that is important to our drug candidates. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a

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distraction to management and other employees. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection, if any, afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to any drug candidates we may develop or utilize similar technology but that are not covered by the claims of the patents that we license or may own in the future;
- we, or our current or future licensors or collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we license or may own in the future;
- we, or our current or future licensors or collaborators might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;

- it is possible that our pending owned or licensed patent applications or those that we may own or license in the futur will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges b our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights a then use the information learned from such activities to develop competitive products for sale in our major commerci markets;
- we may not develop additional proprietary technologies that are patentable;
- the intellectual property rights of others may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent directed to such intellectual property.

Should any of these events occur, they could harm our business, financial condition, results of operations and prospects.

Risks related to employee matters, managing our growth and other risks related to our business

We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

We are highly dependent on our management, scientific and medical personnel, including our Chief Executive Officer, Dr. Blatt, and our President, Dr. Beigelman. personnel. The loss of the services of any of them may adversely impact the achievement of our objectives. Any of our executive officers could leave our employment at any time, as all of our employees are “at-will” employees. We currently do not have “key person” insurance on any of our employees.

Recruiting and retaining qualified employees, consultants and advisors for our business, including scientific and technical personnel, also will be critical to our success. Competition for skilled personnel is intense and the turnover rate can be high. We may not be able to attract and retain personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies and academic institutions for skilled individuals. In addition, failure to succeed in nonclinical studies, clinical trials or applications for marketing approval may make it more challenging to recruit and retain qualified personnel. The inability to recruit, or the loss of services of certain executives, significant employees, consultants or advisors, may impede the progress of our research, development and commercialization objectives and have a material adverse effect on our business, financial condition, results of operations and prospects.

We currently have no sales organization. If we are unable to establish sales capabilities on our own or through third parties, we may not be able to market and sell any products effectively, if approved, or generate product revenue.

We currently do not have a marketing or sales organization. In order to commercialize any product, if approved, in the United States and foreign jurisdictions, we must build our marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. In advance of any of our drug candidates receiving regulatory approval, we expect to establish a sales organization with technical expertise and supporting distribution capabilities to commercialize each such drug candidate, which will be expensive and time-consuming. We have no prior experience in the marketing, sale and distribution of pharmaceutical products, and there are significant risks involved in building and managing a sales organization, including our ability to hire, retain, and incentivize qualified individuals, generate sufficient sales leads, provide adequate training to sales and marketing personnel, and effectively manage a geographically dispersed sales and marketing team. Any failure or delay in the development of our internal sales, marketing and distribution capabilities would adversely impact the commercialization of our drug candidates. We may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If we are unable to enter into such arrangements on acceptable terms or at all, we may not be able to successfully commercialize our drug candidates. If we are not successful in commercializing products, either on our own or through arrangements with one or more third parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

We will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of December 31, 2022 December 31, 2023, we had 83 66 full-time employees, including 66 52 employees engaged in research and development. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we expect to need additional managerial, operational, sales, marketing, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and FDA review process for our current d candidates and any other drug candidate we develop, while complying with our contractual obligations to contractors and other third parties; and
- expanding and enhancing our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to advance development of and, if approved, commercialize our current drug candidates and any other drug candidate we develop will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services, including substantially all aspects of marketing, clinical

management, and manufacturing. We cannot assure you that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed or at a reasonable cost, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our nonclinical studies and clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of any current or future drug candidates or otherwise advance our business. We cannot assure you that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may experience delays or may not be able to successfully implement the tasks necessary to further develop and commercialize our current drug candidates and any future drug candidates we develop and, accordingly, may not achieve our research, development and commercialization goals.

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

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

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials, and as such we would have to pay the full amount of any resultant liability out of pocket, which could significantly impair our financial condition.

We or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our corporate headquarters and other facilities are located in the San Francisco Bay Area, which in the past has experienced both severe earthquakes and wildfires. We are also conducting clinical trials in New Zealand, an area also known for earthquakes. We do not carry earthquake insurance, and as such we would have to pay the full amount of any resultant liability out of pocket, which could significantly impair our financial condition. In addition, earthquakes, wildfires or other natural disasters could severely disrupt our operations. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our enterprise financial systems or manufacturing resource planning and enterprise quality systems, that delayed our clinical trials, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business, results of operations, financial condition and prospects. Furthermore, integral parties in our supply chain are similarly vulnerable to natural disasters or other

sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our business.

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

We are exposed to the risk that our employees, independent contractors, vendors, principal investigators, CROs, consultants and collaborators may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate the regulations of the FDA and comparable foreign regulatory authorities, including those laws requiring the reporting of true, complete and accurate information to such authorities; healthcare fraud and abuse laws and regulations in the United States and abroad; or laws that require the reporting of financial information or data accurately. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Activities subject to these laws also involve the improper use of information obtained in the course of clinical trials or creating fraudulent data in our nonclinical studies or clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits

stemming from a failure to comply with these laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

Risks related to our common stock

The price of our common stock may be volatile and fluctuate substantially, which could result in substantial losses for investors.

Our stock price is likely to be volatile. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The ongoing COVID-19 pandemic, for example, has negatively affected the stock market and investor sentiment and has resulted in significant volatility. The market price for our common stock may be influenced by many factors, including:

- the success of our and competitive products or technologies;
- results of clinical trials and nonclinical studies or those of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to our drug candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license drug candidates;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes •changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;

- general economic, political, and market conditions and overall fluctuations in the financial markets in the United State and abroad;
- the COVID-19 pandemic; pandemic or future public health pandemics or epidemics; and

- investors' general perception of us and our business.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance, which may limit or prevent investors from selling their shares at or above the price paid for the shares and may otherwise negatively affect the liquidity of our common stock.

Some companies that have experienced volatility in the trading price of their shares have been the subject of securities class action litigation. Any lawsuit to which we are a party, with or without merit, may result in an unfavorable judgment. We also may decide to settle lawsuits on unfavorable terms. Any such negative outcome could result in payments of substantial damages or fines, damage to our reputation or adverse changes to our business practices. Defending against litigation is costly and time-consuming, and could divert our management's attention and our resources. Furthermore, during the course of litigation, there could be negative public announcements of the results of hearings, motions or other interim proceedings or developments, which could have a further negative effect on the market price of our common stock.

An active trading market for our common stock may not be sustained.

Prior to our initial public offering in October 2020, there was no public market for shares of our common stock and an active trading market for our shares may not be sustained. In the absence of an active trading market

for our common stock, investors may not be able to sell their common stock at a price or at the time that they would like to sell.

An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire other drug candidates, businesses, or technologies using our shares as consideration.

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

We do not currently intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, investors are not likely to receive any dividends on common stock owned by them for the foreseeable future. Since we do not intend to pay dividends, an investor's ability to receive a return on its investment will depend on any future appreciation in the market value of our common stock. There is no guarantee that our common stock will appreciate or even maintain the price at which our holders purchased it.

We are an emerging growth company and a smaller reporting company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies will make our common stock less attractive to investors.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, certain disclosure obligations regarding executive compensation and the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following the year of our IPO, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our IPO, (b) in which we have total annual gross revenue of at least $1.235 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common stock that is held by non-affiliates to exceed $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use the extended transition period for any other new or revised accounting standards during the period in which we remain an

emerging growth company; however, we may adopt certain new or revised accounting standards early. As a result, changes in rules of U.S. generally accepted accounting principles or their interpretation, the adoption of new guidance or the application of existing guidance to changes in our business could significantly affect our financial position and results of operations.

Even after we no longer qualify as an emerging growth company, we may continue to qualify as a smaller reporting company, which would allow us to rely on certain reduced disclosure requirements, such as an exemption from providing selected financial data and executive compensation information. We are also exempt from the requirement to obtain an external audit on the effectiveness of internal control over financial reporting provided in Section 404(b) of the Sarbanes-Oxley Act. These exemptions and reduced disclosures due to our status as a smaller reporting company mean that our auditors do not review our internal controls over financial reporting and may make it harder for investors to analyze our results of operations and financial prospects.

We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions as an emerging growth company and a smaller reporting company. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Our executive officers, directors and their affiliates have significant influence over our company, which will limit an investor's ability to influence corporate matters and could delay or prevent a change in corporate control.

As of December 31, 2022 December 31, 2023, our executive officers, directors and their affiliates beneficially own, in the aggregate, approximately 46.1% 60.4% of our outstanding common stock (assuming all shares of non-voting common stock are converted into voting common stock in accordance with the terms of our amended and restated certificate of incorporation), and 27.1% of our outstanding common stock (assuming all shares of non-voting common stock

are converted to voting common stock and all pre-funded warrants are exercised in full on a cash exercise basis). In addition, in our October 2023 private placement, certain of the holders of 5% or more of our capital stock acquired pre-funded warrants to purchase shares of our common stock (which are immediately exercisable and have an exercise price of $0.0001 per share) and common warrants to purchase shares of our common stock (which are immediately exercisable and have an exercise price of $0.7568 per share). Until exercised, the shares issuable upon the exercise of the pre-funded warrants and the common warrants are not included in the number of our outstanding shares of common stock. If such holders exercise their warrants, then the shares of our capital stock beneficially owned by our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates would increase significantly. As a result, these stockholders, if they act together, will be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation or sale of all or substantially all of our assets. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

- delaying, deferring or preventing a change of control of us;
- impeding a merger, consolidation, takeover or other business combination involving us; or
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us.

The dual class structure of our common stock may limit the ability to influence corporate matters and may limit the visibility with respect to certain transactions.

The dual class structure of our common stock may limit an investor's ability to influence corporate matters. Holders of our common stock are entitled to one vote per share, while holders of our non-voting common stock are not entitled to any votes. Nonetheless, each share of our non-voting common stock may be converted at any time into one share of our common stock at the option of its holder by providing written notice to us, subject to the limitations provided for in our amended and restated certificate of incorporation. Consequently, the exercise by holders of our non-voting common stock of their option to make this conversion will have the effect of increasing the relative voting power of such holders, and correspondingly decreasing the voting power of the holders of our common stock, which may limit an investor's ability to influence corporate matters. As of December 31, 2022 December 31, 2023, we had 3,092,338 shares of non-voting common stock outstanding. Additionally, stockholders who hold, in the aggregate, more than 10% of our common stock and non-voting common stock, but 10% or less of our common stock, and are not otherwise a company insider, may not be required to report changes in their ownership due to transactions in our non-voting common stock pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended

(the (the Securities Exchange Act), and may not be subject to the short-swing profit provisions of Section 16(b) of the Exchange Act.

Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline.

As of December 31, 2022 December 31, 2023, approximately 10.8 million 12.5 million shares of common stock that are either subject to outstanding options or reserved for future issuance under our equity incentive plans are eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules and Rule 144 and Rule 701 under the Securities Act. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

In addition, the holders of approximately 42.9 million 75.1 million of our total common stock and non-voting common stock are entitled to rights with respect to the registration of their shares under the Securities Act described above. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

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

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the Code), and corresponding provisions of state law, if a corporation undergoes an “ownership change” (generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a rolling three-year period), the corporation’s ability

to use its pre-change net operating loss (NOL) carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We performed a Code Section 382 analysis in 2021 2023 and determined there was an ownership change that resulted in Section 382 limitations. The ownership change limited our ability to utilize NOLs against future taxable income but will not result in the expiration of any NOLs. We may have experienced additional ownership changes in the past and may in the future experience ownership changes as a result of changes in our stock ownership (some of which are not in our control). In addition, under current tax law, federal NOL carryforwards generated in periods after December 31, 2017, may be carried forward indefinitely but in taxable years beginning after December 31, 2020, may only be used to offset 80% of our

taxable income. For these reasons, our ability to utilize our NOL carryforwards and other tax attributes to reduce future tax liabilities may be limited.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our stock, the price of our stock could decline.

The trading market for our common stock relies, in part, on the research and reports that industry or financial analysts publish about us or our business. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. If one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which, in turn, could cause our stock price to decline.

If we fail to implement and maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Pursuant to Section 404 of Sarbanes-Oxley, our management is required to report upon the effectiveness of our internal control over financial reporting for our fiscal year ended December 31, 2022 December 31, 2023. When we lose our status as an "emerging growth company," our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we will need to implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff, all of which will entail additional expense.

We cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future. Any failure to implement and maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are

unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay or prevent changes in control or changes in our management without the consent of our board of directors. These provisions include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacanc on our board of directors;

- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price a other terms of those shares, including preferences and voting rights, without stockholder approval, which could be us to significantly dilute the ownership of a hostile acquiror;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;
- the required approval of at least 66 2/3% of the shares entitled to vote at an election of directors to adopt, amend or repeal our amended and restated bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by our chief executive officer or, in the absence of a chief executive officer, president or by the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of direc or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquir from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtai control of us.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other exceptions, the board of directors has approved the transaction.

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

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

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

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

Our amended and restated certificate of incorporation provides for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us

arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, our amended and restated bylaws or any action as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; or any action asserting a claim against us that is governed by the internal affairs doctrine. Our amended and restated certificate of incorporation also provides that the federal district courts of the United States of America is the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act. We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, these provisions may have the effect of discouraging lawsuits against our directors and officers. The choice of forum provision requiring that the Court of Chancery of the State of Delaware or the federal district courts of the United States of America be the exclusive forum for certain actions does not apply to suits brought to enforce any liability or duty created by the Exchange Act. Our exclusive forum provision does not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations. Although our amended and restated certificate of incorporation contains the choice of forum provisions described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

General risk factors

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

To date, we have primarily financed our operations through the sale of common stock, preferred stock and convertible notes. We will be required to seek additional funding in the future and may to do so through public or private equity offerings or debt financings, credit or loan facilities, collaborations or a combination of one or more of these funding sources. If we raise additional funds by issuing equity securities, our stockholders may suffer dilution and the terms of any equity financing may adversely affect the rights of our stockholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. Debt financing, if available, is likely to involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of our equity securities received any distribution of our corporate assets. If we raise additional capital through marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our drug candidates, technologies, future revenue streams or research programs or grant licenses on terms that may not be favorable to us. Attempting to secure additional financing may also divert our management’s attention from our day-to-day activities, which may adversely affect our ability to develop our drug candidates.

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

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. markets, including due to the current inflationary economic environment and rising interest rates. Adverse developments that affect financial institutions, transactional counterparties, or other third parties, or concerns or rumors about these events, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank (SVB) was closed by the 2008 global California Department of Financial Protection and Innovation, which appointed the U.S. Federal Deposit Insurance Corporation (FDIC) as receiver. Similarly, other institutions have been and may continue to be swept into receivership. We have no borrowing or deposit exposure to directly impacted institutions and have not experienced an adverse impact to our

liquidity or to our business operations, financial crisis caused extreme volatility and disruptions condition, or results of operations as a result of these recent events. However, uncertainty may remain over liquidity concerns in the capital broader financial services industry, and credit markets. In addition, there may be unpredictable impacts to our business and our industry.

Further, Russia began a full-scale invasion of Ukraine in February 2022 which is the largest conventional military attack in Europe since World II and has triggered unprecedented sanctions against Russia. While the situation remains highly fluid and the outlook of such war in Ukraine is subject to extraordinary uncertainty, the ongoing war and associated sanctions will likely have a severe impact on the global economy. A severe or prolonged economic downturn, such as the 2008 global financial crisis, and one that could be caused by the war in Ukraine, could result in a variety of risks to our business, including, weakened demand for any drug candidates we may develop and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy or disruptions in the supply chain generally could also strain our suppliers, possibly resulting in supply disruption. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance and stock price and could require us to delay or abandon clinical development plans. In addition, there is a risk that one or more of our current service providers, manufacturers or other partners may not survive such difficult economic times, which could directly affect our ability to attain our operating goals on schedule and on budget. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. Furthermore, our stock price may decline due in part to the volatility of the stock market and any general economic downturn.

Our insurance policies are expensive and protect us only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include general liability, property, umbrella, clinical trials and directors' and officers' insurance. Any additional insurance coverage we acquire in the future may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our cash position and results of operations.

We also expect that operating as a public company will make it more difficult and more expensive for us to obtain directors' and officers' liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers.

The continuing impact of "Brexit" "Brexit" may have a negative effect on our business.

Following a national referendum and subsequent legislation, the United Kingdom formally withdrew from the European Union, commonly referred to as "Brexit," and ratified a trade and cooperation agreement governing its future relationship with the European Union. Among other things, the agreement, which became effective in 2021, addresses trade, economic arrangements, law enforcement, judicial cooperation and governance. Because the agreement merely sets forth a framework in many respects that requires complex additional bilateral negotiations between the United Kingdom and the European Union, significant uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal.

We cannot yet predict the full implications of Brexit, including whether it will increase our operational costs or otherwise have a negative effect on our business, financial condition or results of operations, which could reduce the price of our common stock.

We are subject to certain U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations, violations of which can have serious negative consequences for our business.

U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions, and other trade laws and regulations (collectively, Trade Laws), prohibit, among other matters, companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors, and other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper

payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, and reputational harm, among other consequences. We routinely have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities, and other organizations, and we expect our non-U.S. activities to increase in time. We plan to engage third parties for clinical trials and/or obtain necessary permits, licenses, patent registrations, and other regulatory approvals from such officials, employees and government agencies and affiliates and we may be held liable for any corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent rights, if any, could be reduced or eliminated if we fail to comply with these requirements.

Periodic maintenance fees, renewal fees, annuity fees, and various other fees are required to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of a patent. In certain circumstances, we rely on our collaborators or licensors to pay these fees. The USPTO and various foreign patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar requirements during the patent application and prosecution process. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. While an inadvertent lapse can in some cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in irrevocable abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. If we or our licensors fail to maintain the patents and patent applications covering our drug candidates, our competitors might be able to enter the market with similar or identical products or technology, which would harm our business, financial condition, results of operations and prospects.

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

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. As noted above, some of our competitors may be able to sustain the costs

of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties, or enter into development collaborations that would help us commercialize our drug candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

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

We rely on confidential methodologies and processes and confidentiality agreements to protect our unpatented know-how, technology and other proprietary information and to maintain our competitive position. Trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, licensors, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Unauthorized parties may also attempt to copy or reverse

engineer certain aspects of our drug candidates that we consider proprietary. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary information will be effective.

We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. 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. secrets, and we may need to share our trade secrets and proprietary know-how with current or future partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors. If any of our trade secrets were to be lawfully obtained or independently developed

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

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

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential collaborators or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Further, we may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our business, financial condition, results of operations and prospects.

We may in the future engage in strategic transactions; such transactions could affect our liquidity, dilute our existing stockholders, increase our expenses and present significant challenges in focus and energy to our management or prove not to be successful.

From time to time, we may consider strategic transactions, such as acquisitions of companies, asset purchases and out-licensing or in-licensing of intellectual property, products or technologies.

Such potential transactions that we may consider in the future include a variety of business arrangements, including spin-offs, strategic partnerships, joint ventures, restructurings, divestitures, business combinations, investments and licensings. Any future transactions could result in potentially dilutive issuances of our equity securities, including our common stock, or the incurrence of debt, contingent liabilities, amortization expenses or acquired in-process research and development expenses, any of which could affect our financial condition, liquidity and results of operations. Future acquisitions may also require us to obtain additional financing, which may not be available on favorable terms or at all. These transactions may never be successful and may require significant time and attention of management. In addition, the integration of any business that we may acquire in the future may disrupt our existing business and may be a complex, risky and costly endeavor for which we may never realize the full benefits of the acquisition.

Public health pandemics or epidemics, political instability, terrorist attacks, other acts of violence or war, or other unexpected events could materially and adversely impact us.

Public health pandemics or epidemics, political instability, terrorist attacks, other acts of violence or war or other unexpected events could materially interrupt our business operations (or those of the third parties upon whom we depend), cause consumer confidence and spending to decrease or result in increased volatility in the United

States and worldwide financial markets and economy. They also could result in or prolong an economic recession in the United States. Any of these occurrences could materially and adversely affect us.

Current or future litigation or administrative proceedings could have a material adverse effect on our business, our financial condition and our results of operations.

We may be involved in legal proceedings, administrative proceedings, claims, and other litigation that arise in the ordinary course of business. Unfavorable outcomes or developments relating to proceedings to which we are a party or transactions involving our current or future drug candidates, such as judgments for monetary damages, injunctions, or denial or revocation of permits, could have a material adverse effect on our business, our financial condition, and our results of operations. In addition, settlement of claims could adversely affect our financial condition and our results of operations.

We incur significantly increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company, we incur significant legal, accounting and other expenses that we did not previously incur as a private company. We are subject to the reporting requirements of the Exchange Act, which requires, among other things, that we file with the SEC, annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) was enacted. There are significant corporate governance and executive compensation-related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas, such as “say on pay” and proxy access. Recent legislation permits emerging growth companies to implement many of these requirements over a longer period and up to five years from the pricing of the IPO. We intend to take advantage of this legislation, but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may

lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, results of operations and prospects. The increased costs will decrease our net income or increase our net loss, and may require us to reduce costs in other areas of our business or increase the prices of our products or services (if approved). For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these

requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

We may experience fluctuations in our tax obligations and effective tax rate, which could materially and adversely affect our results of operations.

We are subject to U.S. federal and state income taxes and taxes in certain other non-U.S. jurisdictions. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be affected by numerous factors, such as changes in tax, accounting and other laws, regulations, administrative practices, principles and interpretations, the outcome of current and future tax audits, examinations, or administrative appeals, changes in the mix and level of earnings in a given taxing jurisdiction or changes in our ownership or capital structures.

Our current shares outstanding and resulting market valuation do not reflect shares of our common stock issuable upon the exercise of pre-funded warrants and common warrants that are exercisable at the discretion of

the holders of such warrants. If we sell shares of our common stock in future financings, stockholders may experience immediate dilution and, as a result, our stock price may decline.

We may from time to time issue additional shares of common stock at a discount from the current trading price of our common stock. As a result, our stockholders would experience immediate dilution upon the purchase of any shares of our common stock sold at such discount. In addition, as opportunities present themselves, we may enter into financing or similar arrangements in the future, including the issuance of debt securities, preferred stock or common stock. For example, in October 2023, we closed a private placement which included the sale of pre-funded warrants and common warrants to purchase shares of our common stock. If we issue common stock or securities convertible into common stock, our common stockholders would experience additional dilution, such dilutive impact may be difficult to compute, and as a result, our stock price may decline.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. If our assumptions change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

Item 1B. Unresolved Staff Comments.

None.

None.**Item 1C. Cybersecurity.**

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, services, and our broader enterprise IT environment;

- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our securit controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our secu controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management; and
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for service providers, suppliers, and vendors.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations,

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business strategy, results of operations, or financial condition. For more information , see the section titled “Risk Factor—Risks related to product development and regulatory process—Our business and operations may suffer in the event that our information technology systems, or those used by our CROs or other contractors or consultants, fail or suffer security breaches.”

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee (Committee) oversight of cybersecurity and other information technology risks. The Committee oversees management’s implementation of our cybersecurity risk management program. The Committee receives reports from management on our cybersecurity risks, at a minimum annually and as needed. In addition, management updates the Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential. The Committee reports to the full Board regarding its activities, including those related to cybersecurity.

Our management team, lead by our Executive Director, Information Technology, is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity risk management program and supervises our retained external cybersecurity consultants. Our management team’s experience includes a combined 25 years of experience in managing IT environments including assessing the overall risk management program and material risks, as well as building our cybersecurity framework over the past six years.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include threat intelligence and other information obtained from governmental, public or

private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

Item 2. Properties.

Our corporate headquarters are located in South San Francisco, California, where we lease and occupy space in two separate buildings. The total amount of space leased across both buildings equals approximately 51,000 square feet of office and laboratory space. The current term of each of our two South San Francisco leases expires in March 2027 and July 2027, with options to extend the terms through March 2035 and July 2032, respectively.

We also have an office in Leuven, Belgium, where we lease and occupy approximately 8,100 square feet of office and laboratory space. The current term of our Leuven, Belgium lease expires in August 2023, with an option to extend the term through August 2028.

We lease all of our facilities and do not own any real property. We believe our existing facilities are sufficient for our needs for the foreseeable future. To meet the future needs of our business, we may lease additional or alternate space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

Item 3. Legal Proceedings.

From time to time, we may become involved in litigation or other legal proceedings. While the outcome of any such proceedings cannot be predicted with certainty, we are not currently involved in any legal proceedings that we believe are, individually or in the aggregate, material to our business, results of operations or financial condition, except as described below. condition. However, regardless of the outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of associated costs and diversion of management time.

On March 26, 2022, the Company received notice of a complaint (the Complaint) filed by Janssen Biopharma, LLC (Janssen), which generally concerned an alleged breach by certain of our employees of their obligations to Janssen as prior employees of Janssen by purporting to assign to Aligos various inventions allegedly owned by Janssen. The Complaint was filed on March 9, 2022 in the Superior Court of the State of California, County of San Mateo, against the Company, Lawrence M. Blatt, Chairman, Chief Executive Officer and Director of the Company, and Leonid Beigelman, the former President and a former Director of the Company. The Complaint alleges alleged breach of contract by Lawrence M. Blatt and Leonid Beigelman and tortious interference with contract by the Company and seeks sought declaratory judgment of ownership of certain intellectual property by the Company, among other claims. The

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Complaint states stated that Janssen is seeking injunctive relief, assignment of certain intellectual property from us to Janssen and monetary damages. The Company believes the allegations in the Complaint are without merit and intends to continue to defend itself vigorously.

On August 4, 2022, the Company filed counterclaims against Janssen alleging Janssen had engaged in unfair competition and promissory fraud, and on August 22, 2022, the Company filed its response to the Complaint Complaint.

On October 16, 2023, the Company entered into a settlement agreement with Janssen that provides for the resolution of the action brought by Janssen alleging breach of contract by Lawrence M. Blatt, and on August 4, 2022, filed Leonid Beigelman, and tortious interference with contract by the Company and seeking declaratory judgment of ownership of certain intellectual property by the Company, among other claims. Pursuant to the settlement agreement, Janssen agreed to dismiss the action and released the Company, Dr. Blatt and Dr. Beigelman from the claims alleged. In addition, pursuant to the Settlement Agreement, the Company agreed to dismiss the counterclaims against Janssen alleging Janssen has engaged in unfair competition and promissory fraud. fraud and released Janssen from the alleged counterclaims.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock has been was listed on The Nasdaq Global Select Market under the symbol "ALGS" from October 20, 2020 to March 5, 2024 and has been listed on The Nasdaq Capital Market since October 20, 2020 March 6, 2024. Prior to that date, October 20, 2020, there was no public trading market for our common stock.

Holders of Record

As of March 6, 2023 March 8, 2024, there were 42 46 holders of record of our common stock, which consist of 40 44 holders of record of our voting common stock and two holders of record of our non-voting common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees.

Dividend Policy

We have never declared or paid any cash dividend on our common stock. We do not expect to declare or pay any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors might deem relevant.

Securities Authorized for Issuance under Equity Compensation Plans

The information required by this item is incorporated by reference to the definitive Proxy Statement for our 2023 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2022 December 31, 2023.

Recent Sales of Unregistered Securities

None.

Use of Proceeds.

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

None.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. In addition to historical financial information, this discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these

forward-looking statements as a result of various factors, including those set forth under "Special Note Regarding Forward-Looking Statements" and "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Our fiscal year ends on December 31 each year.

Overview

We are a clinical-stage biopharmaceutical company focused on developing novel therapeutics to address unmet medical needs in liver diseases and viral infections, including in the areas of non-alcoholic metabolic dysfunction associated steatohepatitis (NASH) (MASH), chronic hepatitis B (CHB) and coronavirus (e.g., SARS-CoV-2 and related infections) and chronic hepatitis B (CHB). We utilize our proprietary small molecule and oligonucleotide platforms to develop pharmacologically optimized drug candidates for use in combination regimens designed to achieve improved treatment outcomes.

In February 2023, we announced a strategic reprioritization of our portfolio. Going forward, we will emphasize our clinical NASH and COVID-19 programs, and continue to support our collaboration agreements, including the agreement with Merck & Co. to develop an oligonucleotide candidate to address NASH. With respect to CHB, we plan to complete our ongoing 48-week cohorts and single ascending dose cohorts for our capsid assembly modulator and small interfering RNA programs, respectively.

Our primary area of focus is NASH, MASH, a complex, chronic liver disease where combination regimens may prove beneficial. Our most advanced drug candidate for NASH MASH is ALG-055009, a small molecule thyroid hormone receptor beta (THR-ß) agonist. This drug candidate is being evaluated recently completed evaluation in a Phase 1 study in healthy volunteers (HVs) (oral single ascending doses (SAD)) and in subjects with hyperlipidemia (14 oral daily doses). Preliminary Clinical data after single doses up to 4 mg and multiple doses up to 1 mg have previously been reported at the European Association for the Study of the Liver conference (EASL 2022) and the 2022 American Association for the Study of Liver Diseases meeting (AASLD 2022), respectively. At these conferences, data were presented showed that showed ALG-055009 was well tolerated, had dose proportional pharmacokinetics (PK) and with low intersubject variability, and demonstrated expected thyromimetic effects (i.e., generally dose proportional increases in sex hormone binding globulin and decreases in various atherogenic lipids and thyroid hormones). We In this same study, we have also evaluated relative bioavailability where we have shown the soft gelatin capsules to be used on Phase 2 studies, delivers similar exposures compared to the solution used in Phase 1 studies; we observed low intersubject PK variability and there was no evidence of a meaningful food effect. Currently, we are currently taking the necessary steps to advance ALG-055009 into initiating a Phase 2 2a proof of concept study. These steps include: 1) conducting study (HERALD) under an amendment to an open investigational new drug application (IND). The study's design is a relative bioavailability cohort 12-week randomized, placebo-controlled trial evaluating 4 doses of ALG-055009 vs. placebo in approximately 100 subjects with presumed liver fibrosis stage 1-3 (F1-F3) MASH. In addition to collecting safety and PK data, this study is also designed to assess multiple efficacy biomarkers, which include MRI-PDFF and other non-invasive tests previously shown to be impacted by treatment with THR-ß agonists. We anticipate dosing to begin in the Phase 1 study; 2) completing 13-week Good Laboratory Practice (GLP) toxicology studies; second quarter of 2024 and 3) manufacturing Phase 2 drug supply. We anticipate submitting the Phase 2 protocol to the FDA with topline safety and 12 week MRI-PDFF data from this study in the fourth quarter of 2023. 2024. We believe ALG-055009 has the potential to become a best-in-class THR-ß agonist and could play an integral role in future NASH MASH combination regimens based on its favorable pharmacokinetic enhanced potency, beta selectivity, and its PK

profile which could result versus other THR-ß drugs in uniform exposures and lead to consistent efficacy and safety in a NASH population. development.

In addition to our small molecule THR-ß program, we are also progressing oligonucleotide projects for NASH, MASH, including in the collaboration with Merck. The programs are currently progressing through preclinical activities.

Our second area of focus seeks to enhance the viral suppression and rate of functional cure for CHB, which often results in life-threatening conditions such as cirrhosis, end-stage liver disease and, the most common form of liver cancer, hepatocellular carcinoma (HCC). To achieve this, we are developing a portfolio of differentiated CHB drug candidates, including a small molecule Capsid Assembly Modulator that results in the production of empty viral capsids (CAM-E) and small molecule inhibitors of the Programmed Cell Death Ligand 1 (PD-1/PD-L1) interaction.

We have completed the initial Phase 1a study in HVs for our CAM-E, ALG-000184, and a Phase 1b dose ranging study evaluating the safety, PK and antiviral activity of 10-300 mg doses of ALG-000184 for 28 days among untreated HBV e-antigen (HBeAg) positive/negative CHB subjects. For these studies, ALG-000184 was found to be well tolerated with a favorable PK profile and demonstrated potentially best-in-class substantial HBV DNA and RNA reductions at all doses tested, as well as HBV surface antigen (HBsAg) reductions in a subset of HBeAg positive subjects receiving 300 mg ALG-000184 (Hou et. al, AASLD 2022). Based on the favorable profile after dosing up to 300 mg ALG-000184 x 28 days, additional Phase 1b cohorts are currently ongoing and evaluating the risk-benefit profile of up to 300 mg doses of ALG-000184 with or without entecavir (ETV) therapy for up to 96 weeks in HBeAg positive/negative CHB subjects. Preliminary data have been presented for several of these cohorts

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(Hou et al., EASL 2023, Yuen et al., AASLD 2023) and indicate that ALG-000184 dosed for up to 48 weeks has shown to be well tolerated with a favorable PK profile and potentially best-in-class antiviral activity. Specifically, antiviral activity data in subjects dosed with 300 mg ALG-000184 $\pm$ ETV for up to 48 weeks are available in cohorts (Part 4 Cohorts 2 and B) of HBeAg positive subjects with normal/elevated baseline ALT. In these cohorts, we observed mean DNA reductions of 6.8 $\log_{10}$ IU/mL. Notably, subjects in these cohorts who initially received ETV x 12 weeks had more modest reductions in HBV DNA as compared to subjects receiving ALG-000184 + ETV over the same time period. In addition, subjects initially receiving ETV only then experienced further reductions in HBV DNA levels once they started receiving the combination of ETV and ALG-000184, and their HBV DNA levels also reached levels exceeding 6 $\log_{10}$ IU/mL, indicating an additive antiviral effect of ALG-000184 with ETV. Further, as of February 28, 2024, subjects receiving 300 mg ALG-000184 monotherapy had similar DNA reductions as subjects receiving 300 mg ALG-000184 $\pm$ ETV and no subject has experienced viral breakthroughs. This

indicates ETV is not meaningfully contributing to observed antiviral activity and there is no evidence of emergence of resistance after dosing with ALG-000184 monotherapy for up to 48 weeks, the last time point studied to date. We have also observed in subjects dosed with either 100 or 300 mg of ALG-000184 ± ETV that mean blood levels of all the three major viral antigens (HBsAg, HBeAg, and HBV core-related antigen (HBcrAg)) all declined by at least 1.2 $\log_{10}$ units and these declines were dose related. Maximum individual declines of these antigens ranged from 2.0-2.5 $\log_{10}$ units over this time period. By comparison, no meaningful change in any of these antigen levels was observed in subjects dosed with ETV alone. Dosing of HBeAg positive/negative subjects with ALG-000184 ± ETV in ongoing cohorts will continue throughout 2024 and interim safety, PK, and antiviral activity data will be presented at scientific conferences throughout the year. We believe that our CAM-E, ALG-000184, can lead to greater rates of viral suppression and, in combination with other mechanisms of action such as those in our CHB portfolio, also may lead to higher rates of functional cure.

For our siRNA drug candidate targeting HBsAg production, ALG-125755, we conducted a Phase 1 study evaluating single doses ranging from 20-200 mg and 50-320 mg in HVs and virologically suppressed HBeAg negative CHB subjects, respectively. In this study, we found that these single doses were well tolerated with a favorable PK profile. With respect to antiviral activity, available data indicated evidence of HBsAg lowering at all 3 dose levels evaluated. We plan to seek additional external funding to further advance this drug candidate in clinical development.

We are also exploring ways to boost immune responses via small molecule inhibitors of the Programmed Cell Death Ligand 1 (PD-L1) transmembrane protein and its interaction with Programmed Cell Death Protein 1 (PD-1). We have rationally designed these T cell activating drug candidates to partition preferentially to the liver and thereby potentially mitigate systemic toxicity in an effort to develop better tolerated PD-1/PD-L1 inhibitors for CHB patients. Lead molecules developed to date show similar in vivo efficacy in tumor models to approved PD-1/PD-L1 antibodies. Our small molecule lead compounds also demonstrate greater PD-L1 target occupancy at a lower dose in a humanized PD-L1 subcutaneous tumor model compared to competitor small molecule PD-L1 inhibitors. We have recently selected two lead molecules and have initiated scale-up to enable further advancement towards clinical development.

Our third area of focus is to develop drug candidates with pan-coronavirus antiviral activity, including against Severe Acute Respiratory Syndrome coronavirus 2 (SARS-CoV-2), the virus responsible for COVID-19. In this area of focus, we are using a exploring small molecule approach, where we are exploring coronavirus 3CL protease inhibitors (PIs) in collaboration with Katholieke Universiteit KU Leuven, (KU Leuven), the Center for Innovation and Stimulation of Drug Discovery (CISTIM) and the Centre for Drug Design and Discovery (CD3). In addition, the preclinical activities of our COVID-19 program are funded through a grant from the National Institutes of Health (NIH) and the National Institute of Allergy and Infectious Disease (NIAID)'s Antiviral Drug Discovery (AViDD) Centers for Pathogens of Pandemic Concern program through the Metropolitan AntiViral Drug Accelerator (MAVDA) consortium. CD3. Our lead candidate, ALG-097558, is has been shown to be at least 6-fold more potent than nirmatrelvir and PBI-0451 other PIs in clinical development in cell-based assays against a panel of SARS-CoV-2 variants (including Omicron), demonstrates. It also has demonstrated broad pan-coronavirus activity, and based on preclinical studies, emerging Phase 1 clinical data, is not projected expected to require ritonavir boosting. Evaluation of ALG-097558 in the hamster SARS-CoV-2 infection model has shown that, when dosed prior to infection or up to 24 hours post-infection, the compound caused a significant reduction in the levels of infectious virus in the lungs. ALG-097558 also appeared to better maintain its antiviral activity against certain resistant mutants compared to other 3CL PIs in development

based on publicly available data. We The safety and PK properties of ALG-097558 are currently completing first-in-human enabling nonclinical studies for ALG-097558 and anticipate a being assessed in an ongoing Phase 1 CTA filing study in HVs. To date, single doses up to 2000 mg have been well tolerated with dose related increase in PK. Additionally, in the on-going multiple ascending dose cohort, it is well tolerated at the 350 mg BID dose for 7 days with additional multiple dose cohorts planned to be conducted in the first and initiation second quarters of dosing in HVs 2024. We expect to share topline data from this study at a scientific conference in the second quarter of 2023.2024.

Our third area 97

Preclinical activities for our coronavirus program were partially funded through a grant from the National Institutes of focus seeks to enhance the rate of functional cure for CHB, which often results in life-threatening conditions such as cirrhosis, Health (NIH) and the most common form National Institute of liver cancer, hepatocellular carcinoma (HCC). The most widely used treatment Allergy and Infectious Diseases (NIAID) Antiviral Drug Discovery (AViDD) Centers for CHB, nucleos(t)ide analogs (NAs), suppress viral replication, but only achieve low rates Pathogens of functional cure Pandemic Concern program through the Metropolitan AntiViral Drug Accelerator (MAVDA) consortium. Specific clinical and often require long-term administration. To address this, we have developed a portfolio of differentiated drug candidates for CHB, including a small molecule Capsid Assembly Modulator that results in the production of empty viral capsids (CAM-E), and a small interfering ribonucleic acid (siRNA), which is designed to suppress production of hepatitis B virus (HBV) surface antigen (HBsAg). Each of these drugs is designed against clinically validated targets in the HBV life cycle and is currently being evaluated in clinical trials.

The initial Phase 1a study in HVs for our CAM-E, ALG-000184, has been completed as has a Phase 1b dose ranging study evaluating the safety, pharmacokinetics and antiviral activity of 10-300 mg doses of ALG-000184 for 28 days among untreated HBV E-antigen (HBeAg) positive/negative CHB subjects. ALG-000184 was found in these portions of the study to be well tolerated with a favorable PK profile and demonstrated potentially best-in-class HBV DNA and RNA reductions as well as HBsAg reductions in a subset of HBeAg positive subjects receiving 300 mg ALG-000184 (Hou et. al, AASLD 2022). Based on the favorable profile after dosing ≤300 mg ALG-000184 x 28 days, additional Phase 1b cohorts are currently being evaluated nonclinical studies for the risk-benefit profile ALG-097558 program and the follow up compound, are now also being funded with federal funds from the NIAID, NIH, Department of 100-300 mg doses of ALG-000184 with or without background entecavir (ETV) therapy for ≤48 weeks in HBeAg positive or negative CHB patients. Preliminary data presented for these cohorts (Hou et. al, APASL 2023) indicate that ALG-000184 dosed for up to 12 weeks is well tolerated with a favorable PK profile Health and potentially best-in-class antiviral activity. Specifically, antiviral activity data through Week 10 were

summarized in cohorts of HBeAg positive subjects with normal baseline ALT (100 mg (Part 4 Cohort 1) and HBeAg positive subjects with normal/elevated baseline ALT (300 mg (Part 4 Cohort 2)). In Part 4 Cohorts 1 and 2, respectively, we observed greater mean DNA (4.9, 5.2 log_{10} IU/mL) and RNA (2.7, 3.3 log_{10} copies/mL) reductions vs. ETV alone (3.7 log_{10} IU/mL reduction, 0.1 log_{10} copies/mL increase, respectively). Similarly, among subjects with available data at Week 10, HBsAg levels declined in cohorts 1 and 2 to a maximum of 0.3 log_{10} IU/mL and 0.7 log_{10} IU/mL compared to no meaningful change in subjects dosed with ETV alone. Dosing in these and at least one additional cohort will continue throughout 2023 and interim safety, PK, and antiviral activity data will be presented at scientific conferences throughout the year.

With respect to our siRNA drug candidate, ALG-125755, a Phase 1 study is ongoing in New Zealand and in several countries in Eastern Europe. Part 1 of this study evaluated single doses in doses ranging from 20 mg to 200 mg in HVs and found that these doses were well tolerated with a favorable PK profile (Gane et al., APASL 2023). Part 2 of the study, which is an SAD in virologically suppressed HBeAg negative CHB subjects, is ongoing. To date, a 50 mg dose of ALG-125755 has been evaluated in Part 2 and found to be well tolerated with an acceptable PK profile. Human Services, under Contract No. 75N93023C00052. We plan to share preliminary data from conduct the clinical pharmacology studies in the second half of 2024 through the end of 2025 as part of this study at scientific conferences throughout 2023.

NIAID contract. We expect to receive approximately $11.0 million in funds across these two NIH awards and contracts to support these activities. We are also exploring ways presently seeking additional external funding (e.g., from governmental agencies) to boost immune responses via small molecule inhibitors support future studies (e.g., Phase 2) as we advance ALG-097558 for the treatment of the programmed death 1 (ligand) PD-1/PD-L1 interaction. We have rationally designed these T cell activating drugs to localize in the liver COVID-19 and thereby potentially mitigate systemic toxicity in an effort to develop better tolerated PD-1/PD-L1 inhibitors for CHB patients. Lead molecules developed to date show similar in vivo efficacy to approved PD-1/PD-L1 antibodies and greater target occupancy at a lower dose in a liver metastatic tumor model compared to a subcutaneous tumor model. We believe that combination regimens utilizing our broad portfolio of CHB drug candidates, with or without other mechanisms of action, may lead to higher rates of functional cure. future coronavirus pandemics.

In July 2021, we completed a follow-on offering and issued 4,400,000 shares of our common stock at a price to the public of $19.00 per share for net proceeds of $77.7 million, after deducting underwriting discounts and commissions and offering expenses payable by us.

In October 2023, we completed a private investment in public equity (PIPE) offering and entered into a securities purchase agreement (the “Securities Purchase Agreement”) pursuant to which we agreed to issue 31,429,266 shares of our common stock, par value $0.001 per share, pre-funded warrants to purchase an aggregate of 81,054,686 shares of our common stock (the “2023 Pre-Funded Warrants”), and common warrants to purchase an aggregate of 56,241,973 shares of our common stock (the “Common Warrants,” and together with the 2023 Pre-Funded Warrants, the "Warrants"). Each Warrant is exercisable for one share of common stock. The Company received gross proceeds of approximately $92.1 million, and after deducting the placement agent fees and expenses and offering costs, net proceeds were approximately $86.2 million.

We have incurred net losses and negative cash flows from operations in each year since our formation in February 2018. Our net losses were $96.0 million $87.7 million and $128.3 million $96.0 million for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. We have had no revenue from product sales. As of December 31, 2022 December 31, 2023, we had an accumulated deficit of $399.1 million $486.8 million. Substantially all of our net losses

have resulted from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses over at least the next several years. Our net operating losses may fluctuate from quarter to quarter and year to year depending primarily on the timing of our clinical trials and nonclinical studies and our other research and development expenses. We have no internal manufacturing capabilities or sales force and outsource a substantial portion of our clinical trial work to third parties.

Components of our results of operations

Operating expenses

Our operating expenses since inception have consisted solely of research and development costs and general and administrative costs.

Research and development expenses

We rely substantially on third parties to conduct our discovery activities, nonclinical studies, clinical trials and manufacturing. We primarily estimate research and development expenses based on estimates of services performed and rely on third party contractors and vendors to provide us with timely and accurate estimates of expenses of services performed to assist us in these estimates. A portion of our research and development expenses are based on contractual milestones. Research and development costs consist primarily of costs incurred for the identification and development of our drug candidates through our technology platforms, which include:

- salaries, benefits and other employee-related costs, including stock-based compensation expense, for personnel engaged in research and development functions;
- costs of outside consultants, including their fees, and related travel expenses;
- costs associated with in-process research and development, including license fees and milestones paid to third-party collaborators for technologies with no alternative use;
- costs related to production of clinical materials, including fees paid to contract manufacturers;
- expenses incurred under agreements with collaborators that perform nonclinical activities;
- costs related to compliance with regulatory requirements; and

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- facility costs, depreciation, and other expenses, which include direct and allocated expenses for rent and maintenanc

of facilities, insurance, and other supplies.

We expense research and development costs as the services are performed or the goods are received. Non-refundable payments for goods or services that will be used for future research and development activities are deferred and capitalized. Such amounts are recognized as an expense as the goods are delivered or the related services are performed until it is no longer expected that the goods will be delivered, or the services will be rendered.

Our research and development costs may increase in future periods as we continue to invest in research and development activities and advance our nonclinical and clinical programs through clinical development. The process of conducting nonclinical studies and, eventually, clinical trials necessary to obtain regulatory approval is costly and time consuming, and the successful development of our drug candidates is highly uncertain. As a result, we are unable to determine the duration and completion costs of our research and development projects or clinical trials or if and to what extent we will generate revenue from the commercialization and sale of any of our drug candidates.

We track direct external research and development expenses on a program-specific basis (chronic hepatitis B, (CHB, coronaviruses, steatohepatitis MASH and early-stage programs). The following table summarizes these research and development costs, in thousands:

Year Ended December 31,		Year ended December 31,	
2022	2021	2023	2022

Direct research and development expenses by development program:	Direct research and development program:	

Non-alcoholic Steatohepatitis program	$9,483	$7,933

Coronavirus espprogram	5,651	2,118
Chronic Hepatitis Bprogram	20,681	45,763

Other early-stage programs	11,324	10,911

Total direct research and development expenses	$ 41,145	$ 59,412

Metabolic dysfunction-associated steatohepatitis program	$ 7,899	$ 3,489
Chronic Hepatitis B program	7,345	20,681
Coronaviruses program	8,421	5,651
Other early-stage programs	9,213	11,324
Total direct research and development expenses	$ 32,879	$ 41,145

Total indirect research and development expenses	Total indirect research and development expenses	43,941	40,161	43,932

Total research and development expense	$ 73,040	$ 85,077

General and administrative expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in our executive, finance, corporate and business development and administrative functions. General and administrative expenses also include legal fees relating to patent and corporate matters; professional fees for accounting, auditing, tax and consulting services; insurance costs; travel expenses; and facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs not otherwise classified as research and development costs.

Interest and other income, net

Interest and other (expense) income, net

Interest and other (expense) income, net comprises interest (expense) income, net and other income (expense), net. Interest income, (expense), net primarily consists of interest earned on our cash, cash equivalents, and investments. Other income (expense) income, , net consists primarily of foreign currency exchange gains and losses.

Provision for income taxes

Since our inception in 2018, we have not recorded any U.S. federal or state income tax benefits for the net losses we have incurred in any year or for our earned research and development tax credits, due to our uncertainty of realizing a benefit from those items. As of December 31, 2022 December 31, 2023, we had federal net operating loss (NOL) carryforwards of $272.4 million $3.7 million available to reduce taxable income and these NOLs can be carried forward indefinitely. We have state NOL carryforwards of $352.7 million $12.7 million as of December 31, 2022 December 31, 2023, available to reduce future state taxable income, which expire at various dates beginning in 2038. As of December 31, 2022, the Company had $3.2 million of Australia NOL carryforwards, which carryforward indefinitely. As of December 31, 2022 December 31, 2023, we also had federal and state research and development tax credit carryforwards of $7.9 million $0.2 million and $3.9 million $0.2 million, respectively. The federal research and development tax credit carryforwards begin to expire in 2038, 2043, while the state research and development tax credit carryforwards can be carried forward indefinitely. The Company had $6.0 million of Australian NOL carryforwards and $0.7 million of Australian research and development tax credit carryforwards available. The Australian NOL and research and development tax credits have no expiration date.

Under Sections 382 and 383 of the Code, and corresponding provisions of state law, if a corporation undergoes an “ownership change” (generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a rolling three-year period), the corporation’s our ability to use its our pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We performed a Code Section 382 analysis in 2021 2023 and determined there was an ownership change that resulted in Section 382 limitations. The As of the ownership change, limited our ability to utilize NOLs against future taxable income but will not result in the expiration $288.6 million and $407.1 million of any NOLs. federal and state net operating losses, respectively, and $9.7 million and $4.8 million of research and development credit carryforwards were written off.

We may in the future experience additional ownership changes as a result of changes subsequent shifts in our stock ownership, (some some of which are not may be outside of our control. In the future, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards or other tax attributes to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us and could adversely affect our control). business, results of operations, and cash flows. In addition, under current tax law, federal NOL carryforwards generated in periods after December 31, 2017, may be carried forward indefinitely but, in taxable years beginning after

December 31, 2020, may only be used to offset 80% of our taxable income. For these reasons, our ability to utilize our NOL carryforwards and other tax attributes to reduce future tax liabilities may be limited.

Results of operations

Comparison of the years ended December 31, 2022 December 31, 2023 and 2021 2022

The following table summarizes our operating expenses for the years ended December 31, 2022 December 31, 2023 and 2021:2022:

Consolidated Statements of Operations Data: (in thousands)	2022	2021	Change $	Change %
			Twelve Months Ended December 31,	
			2023	2022
Revenue from collaborations	$ 13,907	$ 4,359	$ 9,548	219%
	$ 9,338	$ 13,907	$ (4,569)	-33%
Revenue from customers			6,191	—
			$ 6,191	100%
Operating expenses:				
Research and development	85,077	104,153	(19,076)	(18)%
	73,040	85,077	(12,037)	-14%
General and administrative	26,410	28,527	(2,117)	(7)%
	30,616	26,410	4,206	16%
Total operating expenses	111,487	132,680	(21,193)	(16)%
	103,656	111,487	(7,831)	-7%
Loss from operations	(97,580)	(128,321)	30,741	(24)%
	(88,127)	(97,580)	9,453	-10%
Interest and other income, net				
Interest and other income, net:				
Interest income, net	1,521	242	1,279	527%
	4,297	1,521	$ 2,776	183%
Other income (loss), net	119	(110)	229	(208)%

Other income (expense), net					(3,054)	119	$ (3,173)	-2669%
Total interest and other income, net	1,640	132	1,508	1,142%	1,243	1,640	(397)	-24%
Loss before provision for income taxes	(95,940)	(128,189)	32,249	(25)%	(86,884)	(95,940)	$ 9,056	-9%
Income tax expense	(106)	(143)	37	(26)%	(795)	(106)	$ (689)	650%
Net loss	$ (96,046)	$ (128,332)	$ 32,286	(25)%				
Net Loss					(87,679)	(96,046)	$ 8,367	-9%

96 Revenue from collaborations

Revenue from collaborations was $9.3 million for the year ended December 31, 2023, compared to $13.9 million for the year ended December 31, 2022, a decrease of $4.6 million. This is due to the completion of the

Original Agreement with Merck in the first quarter of 2023, leaving the Amended collaboration agreement with Merck to continue in the year ended December 2023.

Revenue from customers

Revenue from customers was $6.2 million for the year ended December 31, 2023 , primarily due to the agreement with Amoytop signed in 2023. Refer to footnote 12, Revenue from Contracts with Customers for further information. There was no revenue recognized from customers in the year ended December 31, 2022.

Research and development expenses

Research and development expenses were $73.0 million for the year ended December 31, 2023, compared to $85.1 million for the year ended December 31, 2022, compared to $104.2 million for the year ended December 31, 2021, a decrease of $19.1 million $12.0 million. This is due to a decrease of $21.6 million of $9.5 million in third-party expenses due to our reduced costs mainly related to our discontinuation of our STOPS discontinued STOPs and ASO programs in 2022, partially offset by increases in our ongoing activities and related expenditures associated with our CAM clinical trial activities and MASH program, as well as the milestone payment to Katholieke Universiteit Leuven (KU Leuven) under its collaboration

agreement related to the coronaviruses and the manufacturing dosing of drug supply the first patient in advance of our a Phase 1 clinical trial activity for our CAM-E and siRNA programs, trial. There was also a decrease of $0.7 million $0.5 million in depreciation, and a decrease of $0.4 million $2.9 million in recruiting expenses. employee-related costs, of which $0.9 million related to stock-based compensation. This was partially offset by an increase of $2.1 million in additional employee-related costs, of which $0.3 million related to stock-based compensation, an increase of $0.4 million in travel & entertainment expenses, and an increase of $1.1 million $0.9 million in facility expenses.

General and administrative expenses

General and administrative expenses were $30.6 million for the year ended December 31, 2023, compared to $26.4 million for the year ended December 31, 2022, compared to $28.5 million for the year ended December 31, 2021, a decrease an increase of $2.1 million $4.2 million. This is due to a decrease an increase of $2.1 million $6.5 million of third-party expenses primarily due to lower higher legal and patent attorney costs, partially offset by a decrease of $0.5 million of employee-related costs, of which $0.8 million related to stock-based compensation (partially offset by other immaterial items), a decrease of $0.2 million in consulting depreciation and recruiting costs, and a decrease of $0.7 million $1.5 million in facility expenses. The decrease was partially offset by an increase of $1.2 million of additional employee-related costs, of which $0.7 million related to stock-based compensation.

Interest income, net

Interest income, net increased to $4.3 million for the year ended December 31, 2023 from $1.5 million for the year ended December 31, 2022 from $0.2 million for the year ended December 31, 2021, an increase of approximately $1.3 million $2.8 million, primarily due to the change in our portfolio of cash equivalents, short-term and long-term investments as well as a general an increase in market interest rates during the year ended December 31, 2022.rates.

Other income (loss) (expense), net

Other income (loss) (expense), net was an expense, net of $3.1 million for the year ended December 31, 2023 compared to income, net of $0.1 million for the year ended December 31, 2022 compared to a loss of $0.1 million for the year ended December 31, 2021, a difference of $0.2 million $3.2 million. The difference was due primarily to foreign currency exchange losses versus fair value of Common Warrants and issuance costs recognized associated with the U.S. dollar. Securities Purchase Agreement.

Liquidity and capital resources

Liquidity

We have incurred net losses since inception. We have not generated any revenue from product sales or any other sources and have incurred significant operating losses. We have not yet commercialized any products and we do not expect to generate revenue from sales of any drug candidates for at least several years, if ever.

Our operations have been financed primarily by net proceeds from the sale and issuance of our convertible preferred stock, net proceeds from our IPO, and the issuance of convertible debt.

In July 2021, we completed a follow-on offering and issued 4,400,000 shares of our common stock at a price to the public of $19.00 per share for net proceeds of $77.7 million, after deducting underwriting discounts and commissions and

estimated offering expenses payable by us.

In October 2023, we completed a PIPE offering and issued 31,429,266 shares of common stock, pre-funded warrants to purchase an aggregate of 81,054,686 shares of Common Stock, and common warrants to purchase an aggregate of 56,241,973 shares of Common Stock. The Company received gross proceeds of approximately $92.1 million, and after deducting the placement agent fees and expenses and offering costs, net proceeds were approximately $86.2 million.

As of December 31, 2022 December 31, 2023, we had cash, cash equivalents and investments of $125.8 million $135.7 million.

Capital resources

Our primary use of cash is to fund operating expenses, which consist primarily of research and development costs related to our drug candidates and our discovery programs, and to a lesser extent, general and administrative expenditures. We expect our expenses to increase substantially in connection with our ongoing clinical development activities related to our NASH MASH drug candidate ALG-055009, which we have initiated clinical trials, as well as our research and development of our other drug candidates within our coronavirus and CHB programs.

In addition, we continue to incur additional costs associated with operating as a public company following our IPO in October 2020. We expect that our expenses will increase substantially to the extent we:

- conduct our current and future clinical trials, and additional nonclinical studies;
- initiate and continue research and nonclinical and clinical development of other drug candidates;
- seek to identify additional drug candidates;
- pursue marketing approvals for any of our drug candidates that successfully complete clinical trials, if any;
- establish a sales, marketing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- require the manufacture of larger quantities of our drug candidates for clinical development and potentially commercialization;
- obtain, maintain, expand, protect and enforce our intellectual property portfolio;
- acquire or in-license other drug candidates and technologies;

- hire and retain additional clinical, quality control and scientific personnel;
- achieve milestones triggering payments by us under our current and potential future licensing and/or collaboration agreements;
- build out or expand existing facilities to support our ongoing development activity; and
- add operational, financial and management information systems and personnel, including personnel to support our d development, any future commercialization efforts and any additional requirement of being a public company.

We believe that our existing cash, cash equivalents and investments will enable us to fund our planned operating expenses and capital expenditure requirements through at least the twelve months from the date of issuing our financial statements. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. Furthermore, we may elect to raise additional capital on an opportunistic basis to fund operations.

Because of the numerous risks and uncertainties associated with our research and development programs and because the extent to which we may enter into collaborations with third parties for development of our drug candidates is unknown, we are unable to estimate the timing and amounts of increased capital outlays and operating expenses associated with completing the research and development of our drug candidates. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of researching and developing our drug candidates and programs, and of conducting nonclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for drug candidates we develop if clinical trials successful;
- the cost of commercialization activities for our current drug candidates, and any future drug candidates we develop, whether alone or in collaboration, including marketing, sales and distribution costs if our current drug candidates or a future drug candidate we develop is approved for sale;

- the cost of manufacturing our current and future drug candidates for clinical trials in preparation for marketing approv and commercialization;
- our ability to establish and maintain strategic licenses or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of such litigation;

- the timing, receipt and amount of sales of, or profit share or royalties on, our future products, if any;

- the emergence of competing therapies for hepatological indications and viral diseases and other adverse market developments; and
- any acquisitions or in-licensing of other programs or technologies.

Developing pharmaceutical products, including conducting nonclinical studies and clinical trials, is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval for any drug candidates or generate revenue from the sale of any drug candidate for which we may obtain marketing approval. In addition, our drug candidates, if approved, may not achieve commercial success. Our commercial product revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if ever. Accordingly, we will need to obtain substantial additional funds to achieve our business objectives.

Adequate additional funds may not be available to us on acceptable terms, or at all. We do not currently have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ownership interest may be diluted, and the terms of these securities may include liquidation or other preferences and anti-dilution protections that could adversely affect the rights of a common stockholder. Additional debt or preferred equity financing, if available, may involve agreements that include restrictive covenants that may limit our ability to take specific actions, such as incurring debt, making capital expenditures or declaring dividends, which could adversely constrain our ability to conduct our business, and may require the issuance of warrants, which could potentially dilute ownership interest.

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

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented:

(in thousands)	Year Ended 2022	2021
Net cash (used in) operating activities	$ (79,389)	$ (115,662)
Net cash provided by (used in) investing activities	(26,293)	3,022
Net cash provided by financing activities	164	78,677
Net decrease in cash, cash equivalents, and restricted cash	$ (105,518)	$ (33,963)

	December 31,	
	2023	2022
Net cash used in operating activities	$ (78,997)	$ (79,389)
Net cash provided by (used in) investing activities	44,981	(26,293)
Net cash provided by financing activities	88,328	164
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ 54,312	$ (105,518)

Operating activities

During Fiscal 2023, operating activities used $79.0 million of cash, primarily resulting from our net loss of $87.7 million and cash used as a result of changes in our operating assets and liabilities of $9.5 million, partially offset by non-cash charges of $18.2 million. Net cash used as a result of changes in our operating assets and liabilities of $9.5 million consisted of a increase in accrued liabilities of $0.9 million, an increase of $0.5 million in deferred revenue from customers, and a decrease in other current assets of $2.3 million, offset by a decrease of $2.4

million in operating lease liabilities, a decrease of $2.2 million in accounts payable, and a decrease of $8.7 million in deferred revenue from collaborations.

The decrease in deferred revenue from collaborations was a result of our recognition of revenue from collaborations due to progress towards the completion of the projects. The increase in our deferred revenue from customers was a result of our agreement with Amoytop (refer to Note 12 Revenue from Contracts with Customers, for details). Operating lease liabilities decreased due to contractual lease payments, and the increase in accrued liabilities was due primarily due to our ongoing activities and related expenditures associated with our CAM clinical trial activities and MASH program.

During Fiscal 2022, operating activities used $79.4 million of cash, primarily resulting from our net loss of $96.0 million and cash used as a result of changes in our operating assets and liabilities of $1.6 million, partially offset by non-cash charges of $18.2 million. Net cash used as a result of changes in our operating assets and liabilities of $1.6 million consisted of a decrease in accrued liabilities of $9.1 million, an increase of $0.3 million in right of use assets, a decrease of $1.8 million in operating lease liabilities, and a decrease of $0.1 million in other liabilities, partially offset by a decrease in other current assets of $5.6 million, an increase of $1.6 million $1.7 million in accounts payable, and an increase of $2.5 million in deferred revenue from collaborations.

The decrease in other assets resulted from reduced costs due to the discontinuation of our STOPS and ASO programs including deposits for manufacturing slot reservation fees. The increase in deferred revenue from collaborations was a result of our collaboration agreements (refer to Note 10 *License and collaboration agreements,* for details), partially offset by the recognition of revenue from collaborations due to progress towards the completion of the projects. Operating lease liabilities decreased due to contractual lease payments, and the decrease in accrued liabilities was due primarily due to a slowdown in manufacturing activities for various drug compounds that are expected to be consumed in future clinical trials.

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Investing activities

During Fiscal 2021, operating 2023, investing activities used $115.7 million provided $45.0 million of cash, consisting primarily resulting from our net loss of $128.3 million and cash used as a result of changes in our operating assets and liabilities of $4.7 million, partially offset by non-cash charges of $17.3 million. Net cash used as a result of changes in our operating assets and liabilities of $4.7 million consisted of an increase of an increase in other assets of $8.1 million, a decrease of $4.4 million in deferred revenue from collaborations, a decrease of $1.4 million in operating lease liabilities, a decrease of $0.3 million in accounts payable and a decrease of $0.2 million in other liabilities, partially offset by an increase in accrued liabilities of $9.7 million.

The increase in other assets resulted from advances for clinical trial costs and deposits for manufacturing slot reservation fees. The decrease in deferred revenue from collaborations was a result of recognition of revenue from collaborations due to progress towards the completion of the project. Operating lease liabilities decreased due to contractual lease payments, and the increase in accrued liabilities was due primarily due to a ramp in manufacturing activities for various drug compounds that are expected to be consumed in future clinical trials.

Investing activitiesinvestment maturities.

During Fiscal 2022, investing activities used $26.3 million of cash, consisting primarily of $104.3 million of investment purchases, and $0.9 million of purchases of property and equipment, partially offset by $78.9 million of investment maturities.

Financing activities

During Fiscal 2021, investing 2023, net cash provided by financing activities provided $3.0 million of cash, was $88.3 million, consisting primarily of $23.0 million $87.9 million from the issuance of investment maturities, common stock, common warrants and pre-funded warrants in the PIPE, the issuance of shares through our employee stock purchase plan, partially offset by $19.1 million payments of investment purchases and $0.9 million of purchases of property and equipment.

Financing activitiesour finance leases.

During Fiscal 2022, net cash provided by financing activities was $0.2 million, consisting primarily of $0.2 million from the issuance of common stock from the exercise of employee stock options and the issuance of shares through our employee stock purchase plan, partially offset by payments of our finance leases.

During Fiscal 2021, net cash provided by financing activities was $78.7 million, consisting primarily of $78.6 million in proceeds from our follow-on offering, net of issuance costs, and $1.0 million from the issuance of common stock from the exercise of employee stock options and the issuance of shares through our employee stock purchase plan.

The cash provided was partially offset by costs related to our follow-on offering of $0.9 million and payments for our capital leases of $0.1 million.

Contractual obligations and commitments

Our principal commitments consist of obligations under our operating leases for office space in South San Francisco, California, and Belgium, and finance lease commitments representing obligations related to vehicle leases for employees and a lease for lab equipment. All of our finance leases are for assets in Belgium. We do not have any material purchase commitments for contracts with fixed or minimum service requirements. We also enter into contracts in the normal course of business with various vendors that generally provide for contract termination following a certain notice period. The Company enters into contracts in the normal course of business that includes arrangements with clinical research organizations, vendors for preclinical research and vendors for manufacturing. These agreements generally allow for cancellation with notice. As of December 31, 2022 December 31, 2023, the Company had no material non-cancellable purchase commitments.

Off-balance sheet arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Indemnification agreements

We enter into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, we indemnify, hold harmless and agree to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third party with respect to its technology. The term of these indemnification agreements is generally perpetual any time after the execution of the agreement. The maximum potential amount of future payments we could be required to make under these arrangements is not determinable. We have never

incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, we believe the fair value of these agreements is minimal.

Critical accounting estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts and the disclosure of assets and liabilities at the date of the consolidated financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on relevant assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following critical accounting policies are most important to understanding and evaluating our reported financial results and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Accrued research and development costs

We record accrued expenses for estimated costs of our research and development activities conducted by third-party service providers, which include the conduct of clinical trials and nonclinical studies. We record the estimated costs of research and development activities based upon the estimated amount of services provided but not yet invoiced and include these costs in accrued liabilities in the consolidated balance sheets Consolidated Balance Sheets and within research and development expense in the consolidated statements Consolidated Statements of operations Operations and comprehensive loss. Comprehensive Loss. These expenses are a significant component of our research and development costs. We record accrued expenses for these costs based on factors such as estimates of the work completed and in accordance with agreements established with these third-party service providers. Any payments made in advance of services provided are recorded as prepaid expenses and other assets, which are expensed as the contracted services are performed.

We estimate the amount of work completed through discussions with internal personnel and external service providers as to the progress or stage of completion of the services and the agreed-upon fee to be paid for such services. We make significant judgments and estimates in determining the accrued balance in each reporting period. As actual costs become known, we adjust our accrued estimates. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed could vary from actuals and result in us reporting amounts that are too high or too low in any particular period. Our accrued expenses are dependent, in part, upon the receipt of timely and accurate reporting from clinical research organizations and other third-party service providers. For the periods presented, we have experienced no material differences between our accrued expenses and actual expenses.

Research and development expenses

We expense research and development costs as incurred. Acquired intangible assets are expensed as research and development if, at the time of payment, the technology is under development; is not approved by the U.S. Food and Drug Administration or other regulatory agencies for marketing; has not reached technical feasibility; or otherwise has no foreseeable alternative future use.

Research and development expenses consist of costs incurred in performing research and development activities, including salaries, stock-based compensation and benefits, facilities costs, depreciation, and third-party license fees. Non-refundable prepayments for goods or services that will be used or rendered for future research and development activities are expensed as incurred. In-process research and development (IPR&D) expense represents the costs to acquire technologies to be used in research and development that have not reached technological feasibility or have no alternative future uses and thus are expensed as incurred. IPR&D expense also includes upfront license fees and milestones paid to collaborators for technologies with no alternative use.

Stock-based compensation

We measure stock options and other stock-based awards granted to employees, directors and other service providers based on their fair value on the date of grant and recognize compensation expense of those awards over

the requisite service period, which is generally the vesting period of the respective award. We recognize the impact of forfeitures on stock-based compensation expense as forfeitures occur. We apply the straight-line method of expense recognition to all awards with only service-based vesting conditions. During the year years ended December 31, 2022 December 31, 2023 and 2021, 2022, we did not grant any stock-based awards with performance-based vesting conditions. We recognize compensation expense related to such awards when it is determined that satisfying the performance conditions is probable using the accelerated attribution method over the requisite service period.

We estimate the fair value of each stock option grant on the date of grant using the Black-Scholes option-pricing model, which requires the use of highly subjective assumptions including:

- Expected term - We have opted to use the “simplified method” for estimating the expected term of plain-vanilla optio whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option (generally 10 years). We estimated the expected term of performance-based vesting options based on the expected life of the options to remain outstanding, which is estimated to be materially consistent with time-vesting options.
- Risk-free interest rate - The risk-free rate assumption is based on the U.S. Treasury instruments with maturities simil to the expected term of our stock options.
- Expected dividend - We have not issued any dividends and do not anticipate to issue dividends on our common stoc As a result, we have estimated the dividend yield to be zero.
- Expected volatility - Due to our limited operating history and a lack of company-specific historical and implied volatilit data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies tha

are publicly traded. The historical volatility data was computed using the daily closing prices for the selected compan shares during the equivalent period of the calculated expected term of the stock-based awards.

Emerging growth company status

In April 2012, the Jumpstart Our Business Startups Act of 2012 (the JOBS Act), was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” (an EGC) can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period for any new or revised accounting standards during the period in which we remain an EGC; however, we may adopt certain new or revised accounting standards early.

We will remain an EGC until the earliest to occur of: (1) the last day of the fiscal year in which we have more than $1.235 billion in annual revenue; (2) the date we qualify as a “large accelerated filer,” with at least $700.0 million of equity securities held by non-affiliates; (3) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period; and (4) the last day of the fiscal year ending after the fifth anniversary of our initial public offering.

In addition, we intend to rely on the other exemptions and reduced reporting requirements provided to EGCs by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, as an EGC, we are not required to, among other things, (i) provide an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (auditor discussion and analysis) or (iv) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer’s compensation to median employee compensation.

Recently issued and adopted accounting pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Interest rate risk

Our cash, cash equivalents and investments of $125.8 million $135.7 million as of December 31, 2022 December 31, 2023, consist of bank deposits, money market funds, certificates of deposit and US Treasury available-for-sale securities. We are exposed to market risk related to changes in interest rates applicable to our investment portfolio of cash equivalents and short-term and long-term investments. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. Should U.S. interest rates decline, interest income would be reduced in future periods for short- and long-term investments which mature and the proceeds of which are reinvested in similar instruments at lower interest rates. Additionally, the fair value of our short-term and long-term investments is subject to change as a result of potential changes in market interest rates, including changes resulting from the impact of the COVID-19 pandemic. rates. As of December 31, 2022 December 31, 2023, we estimate that a hypothetical 100 basis point adverse movement would not result in a material impact on our financial position or results of operations or cash flows.

Foreign currency exchange risk

We have employees and operations, including contracts with third-party vendors, in Europe through our subsidiary Aligos Belgium BVBA. We have similar, but more limited, operations in Australia and China. Though the functional currency in these locations is the U.S. dollar, we remeasure transactions initially recorded in local currencies in these locations, the Euro, Australian dollar and Chinese Yuan, respectively, to the U.S. dollars periodically. As such, we are exposed to foreign currency exchange risk as the underlying contracts to pay employees or vendors in these locations are generally denominated in the local currencies. A decline in the value of the U.S. dollar relative to these currencies would increase our cost of doing business in these locations. We are subject to foreign currency transaction gains or losses on our contracts denominated in foreign currencies. To date, foreign currency transaction gains and losses have not been material to our financial statements, and we have not had a formal hedging program with respect to foreign currency. A 10% increase or decrease in current exchange rates would not have a material effect on our financial position or results of operations or cash flows.

Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Aligos Therapeutics, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets Consolidated Balance Sheets of Aligos Therapeutics, Inc. (the Company) as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements Consolidated Statements of operations Operations and comprehensive loss, changes Comprehensive Loss, Changes in stockholders' equity Stockholders' Equity and cash flows Cash Flows for each of the two years then in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the two years then in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial

reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2019.

San Mateo, California
March 9, 2023 12, 2024

Consolidated balance sheets Balance Sheets
(In thousands, except share and per share data)

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
ASSETS				
Current assets:				
Cash and cash equivalents	$ 7,834	$ 16,116	$ 135,704	$ 81,347
Restricted cash	5	4	70	115

Short-term investments	44,480	3,918	-	44,480
Other current assets	7,603	13,526	5,310	7,603
Total current assets	133,545	120,444	141,084	133,545
Operating lease right-of-use assets	7,698	8,789	6,559	7,698
Property and equipment, net	4,816	6,180	3,259	4,816
Long-term investments	—	15,110		
Other assets	634	863	625	634
Total assets	$ 146,693	$ 145,326	$ 151,527	$ 146,693
LIABILITIES, PREFERRED STOCK, AND STOCKHOLDERS' EQUITY				
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 4,737	$ 3,015	$ 2,517	$ 4,737
Accrued liabilities	16,039	25,394	16,842	16,039
Operating lease liabilities, current	3,035	2,769	3,229	3,035
Finance lease liabilities, current	108	138	10	108

	46			
Deferred Revenue from customers, current	7	—		
	8,7	7,6		
Deferred Revenue from collaborations, current	43	41		
Deferred revenue from customers, current			1,224	467
Deferred revenue from collaborations, current			84	8,743
	33,	38,		
	12	95		
Total current liabilities	9	7	23,906	33,129
		11,		
	9,2	28		
Operating lease liabilities, net of current portion	01	7	7,668	9,201
	23	26		
Finance lease liabilities, net of current portion	0	1	231	230
		13		
Long term liabilities	—	3		
	23			
Deferred revenue from customers	3	—		
Deferred revenue from customers, net of current portion			-	233
Warrant liability			27,596	-
Long term liability			46	-
	42,	50,		
	79	63		
Total liabilities	$ 3	$ 8	59,447	42,793
Commitments and contingencies (Note 12)				
Commitments and contingencies (Note 14)				
Stockholders' equity:				
Preferred Stock, $0.0001 par value; 10,000,000 shares authorized as of December 31, 2022 and 2021, respectively; no shares issued and outstanding as of December 31, 2022 and 2021, respectively.	—	—		
Common stock, $0.0001 par value; 320,000,000 shares authorized as of December 31, 2022 and 2021, respectively; 42,922,980 and 42,690,229 shares issued and outstanding as of December 31, 2022 and 2021, respectively	4	4		

Preferred Stock, $0.0001 par value; 10,000,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; no shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively.			-	-
Common stock, $0.0001 par value; 320,000,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; 75,096,906 and 42,922,980 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively.			7	4
Additional paid-in capital	50 2,6 13	48 7,3 47	578,325	502,613
Accumulated deficit	(3 99, 11 8)	(3 03, 07 2)	(486,797)	(399,118)
Accumulated other comprehensive income	40 1	45 2	545	401
Total stockholders' equity	10 3,9 00	18 4,7 31	92,080	103,900
Total liabilities, redeemable convertible preferred stock, and stockholders' equity	14 6,6 $ 93	23 5,3 $ 69		
Total liabilities and stockholders' equity			$ 151,527	$ 146,693

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

Consolidated statements Statements of operations Operations and comprehensive loss Comprehensive Loss
(In thousands, except share and per share data)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue from collaborations	$ 13,907	$ 4,359
Operating expenses:		
Research and development	85,077	104,153
General and administrative	26,410	28,527
Total operating expenses	111,487	132,680
Loss from operations	(97,580)	(128,321)
Interest and other income, net	1,640	132
Loss before income tax expense	(95,940)	(128,189)
Income tax expense	(106)	(143)
Net loss	(96,046)	(128,332)
Other comprehensive (loss) and income:		
Gains on pension plans	6	749
Losses on available for sale investments	(57)	(109)
Comprehensive loss	$ (96,097)	$ (127,692)
Net loss per share, basic and diluted	$ (2.25)	$ (3.22)
Weighted average shares of common stock, basic and diluted	42,695,227	39,855,403

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

	Year Ended December 31, 2023	2022
Revenue from collaborations	$ 9,338	$ 13,907
Revenue from customers	6,191	—
Operating expenses:		
Research and development	73,040	85,077
General and administrative	30,616	26,410
Total operating expenses	103,656	111,487
Loss from operations	(88,127)	(97,580)
Interest and other income, net	1,243	1,640
Loss before income tax expense	(86,884)	(95,940)
Income tax expense	(795)	(106)

Net loss	(87,679)	(96,046)
Other comprehensive income (loss):		
Unrealized gain (loss) on available-for-sale securities	96	(57)
Gains on pension plans	48	6
Other comprehensive income (loss)	144	(51)
Comprehensive loss	$ (87,535)	$ (96,097)
Net loss per share, basic and diluted	$ (1.36)	$ (2.25)
Weighted average shares of common stock, basic and diluted	64,260,588	42,695,227

Consolidated statements of changes in stockholders' equity

(In thousands, except share and per share data)

	Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Income (Loss)	Equity
Balance as of December 31, 2020	38,120,606	$ 4	$ 394,963	$ (174,740)	$ (188)	$ 220,039
Issuance of common stock upon exercise of stock options	124,013	—	394	—	—	394
Issuance of common stock under employee stock purchase plan	45,610	—	653	—	—	653
Issuance of common stock in connection with follow-on offering, net of offering costs	4,400,000	—	78,584	—	—	78,584
Costs related to the follow-on offering	—	—	(875)	—	—	(875)
Stock-based compensation related to employee stock awards	—	—	12,541	—	—	12,541
Stock-based compensation expense related to employee stock purchases	—	—	795	—	—	795
Vesting of early exercised common stock	—	—	292	—	—	292
Other comprehensive income	—	—	—	—	640	640
Net loss	—	—	—	(128,332)	—	(128,332)
Balance as of December 31, 2021	42,690,229	$ 4	$ 487,347	$ (303,072)	$ 452	$ 184,731
Issuance of common stock upon exercise of stock options	12,896	0	20	—	—	20
Issuance of common stock under employee stock purchase plan	219,855	0	205	—	—	205

Issuance of common stock in connection with follow-on offering, net of offering costs	—	—	—	—	—	—
Costs related to the follow-on offering	—	—	—	—	—	—
Stock-based compensation expense related to employee stock awards	—	—	13,540	—	—	13,540
Stock-based compensation expense related to employee stock purchases	—	—	1,292	—	—	1,292
Vesting of early exercised common stock	—	—	209	—	—	209
Other comprehensive loss	—	—	—	—	(51)	(51)
Net loss	—	—	—	(96,046)	—	(96,046)
Balance as of December 31, 2022	42,922,980	$ 4	$ 502,613	$ (399,118)	$ 401	$ 103,900

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

Consolidated statements of cash flows

(In thousands)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash flows from operating activities:		
Net loss	$ (96,046)	$ (128,332)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discount on short term investments	(159)	86
Amortization of right of use assets	1,369	759
Depreciation expense	2,306	3,019
Stock-based compensation	14,693	13,457
Changes in operating assets and liabilities:		
Other assets	5,594	(8,072)
Accounts payable	1,722	(313)
Accrued liabilities	(9,140)	9,742
Operating lease liabilities	(1,819)	(1,404)
Other liabilities	(133)	(245)
Deferred revenue from collaborations	2,502	(4,359)
ROU asset	(278)	—
Net cash and cash equivalents used in operating activities	$ (79,389)	$ (115,662)
Cash flows from investing activities:		

Purchases of short-term investments	(104,265)	(2,696)
Purchases of long-term investments	—	(16,390)
Maturities of short-term investments	78,915	23,000
Purchases of property and equipment	(943)	(892)
Net cash and cash equivalents provided by (used in) investing activities	$ (26,293)	$ 3,022
Cash flows from financing activities:		
Payments on finance lease	(61)	(79)
Payments of deferred offering costs	—	(875)
Proceeds from issuance of common stock in connection with Follow-on Offering, net of costs	—	78,584
Proceeds from ESPP purchase	205	—
Proceeds from the issuance of common stock under employee stock plans	20	1,047
Net cash and cash equivalents provided by financing activities	$ 164	$ 78,677
Net decrease in cash, cash equivalents, and restricted cash	$ (105,518)	$ (33,963)
Cash, cash equivalents, and restricted cash, beginning of period	186,980	220,943
Cash, cash equivalents, and restricted cash, end of period	$ 81,462	$ 186,980

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

Consolidated statements Statements of cash flows (Continued) Changes in Stockholders' Equity

(In thousands) thousands, except share and per share data)

	Year Ended December 31, 2022	Year Ended December 31, 2021
Reconciliation to amounts on the consolidated balance sheet:		
Cash and cash equivalents	$ 81,347	$ 186,816
Restricted cash	115	164

Total cash, cash equivalents, and restricted cash	$ 81,462	$ 186,980
Supplemental disclosures of cash flow information:		
Interest paid	$ —	$ —
Income taxes paid	$ —	$ —
Supplemental disclosures of noncash financing and investing activities:		
Mark to market adjustments for available-for-sale investments	$ (57)	$ (109)
Equipment acquired through finance lease	$ —	$ 284
Receivable due from arrangement	$ 700	$ —
Vesting of early exercised options	$ 209	$ 292
Acquisition of right-of-use asset through operating lease obligation	$ —	$ 2,647
PP&E purchase still in accounts payable	$ —	$ 15
Change in pension obligation	$ 6	$ 749

	Year Ended December 31, 2023					
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2021	42,690,229	$ 4	$ 487,347	$ (303,072)	$ 452	$ 184,731
Issuance of common stock upon exercise of stock options	12,896	-	20	-	-	20
Issuance of common stock related to ESPP purchase	219,855	-	205	-	-	205
Stock-based compensation expense related to employee stock awards	-	-	13,540	-	-	13,540
Stock-based compensation expense related to employee stock purchases	-	-	1,292	-	-	1,292
Vesting of early exercised common stock options	-	-	209	-	-	209
Other comprehensive loss	-	-	-	-	(51)	(51)

Net loss	-	-	-	(96,046)	-	(96,046)
Balance as of December 31, 2022	42,922,980	$ 4	$ 502,613	$ (399,118)	$ 401	$ 103,900
Issuance of common stock upon exercise of stock options	17,109	-	23	-	-	23
Issuance of common stock related to ESPP purchase	727,551	-	551	-	-	551
Issuance of common stock in connection with PIPE offering, net of offering costs	31,429,266	3	18,641	-	-	18,644
Issuance of pre-funded warrants in connection with PIPE offering, net of offering costs	-	-	48,079	-	-	48,079
Costs related to the PIPE offering	-	-	(4,300)	-	-	(4,300)
Stock-based compensation expense related to employee stock awards	-	-	11,799	-	-	11,799
Stock-based compensation expense related to employee stock purchases	-	-	853	-	-	853
Vesting of early exercised common stock options	-	-	66	-	-	66
Other comprehensive income	-	-	-	-	144	144
Net loss	-	-	-	(87,679)	-	(87,679)
Balance as of December 31, 2023	75,096,906	7	578,325	(486,797)	545	92,080

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

Consolidated Statements of Cash Flows

(In thousands)

	Years Ended December 31,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (87,679)	$ (96,046)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discount on investments	(424)	(159)
Amortization of right of use assets	1,510	1,369
Impairment of right of use assets	724	-
Change in fair value of warrant liability	2,169	-
Loss on disposal of assets	17	-
Depreciation expense	1,559	2,306
Stock-based compensation including ESPP	12,652	14,693
Changes in operating assets and liabilities:		
Other assets	2,297	5,594
Right of use assets	-	(278)
Accounts payable	(2,219)	1,722
Accrued liabilities	918	(9,140)
Operating lease liabilities	(2,432)	(1,819)
Other liabilities	46	(133)
Deferred revenue from collaborations	(8,659)	2,502
Deferred revenue from customers	524	-
Net cash and cash equivalents used in operating activities	(78,997)	(79,389)
Cash flows from investing activities:		
Activities in available-for-sale investments:		
Maturities of short-term investments	45,011	78,915
Purchase of short-term investments	(11)	(104,265)

Purchases of property and equipment	(19)	(943)
Net cash and cash equivalents provided by (used in) investing activities	44,981	(26,293)
Cash flows from financing activities:		
Proceeds from issuance of common stock in connection with PIPE Offering, net of costs	17,443	-
Proceeds from issuance of pre-funded warrants in connection with PIPE Offering, net of costs	44,980	-
Proceeds from issuance of common warrants in connection with PIPE Offering, net of costs	25,427	-
Payments on finance lease	(96)	(61)
Proceeds from the ESPP purchase	551	205
Proceeds from the exercise of common stock option	23	20
Net cash and cash equivalents provided by financing activities	88,328	164
Net increase (decrease) in cash, cash equivalents, and restricted cash	54,312	(105,518)
Cash, cash equivalents, and restricted cash, beginning of period	81,462	186,980
Cash, cash equivalents, and restricted cash, end of period	$ 135,774	$ 81,462

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

Consolidated Statements of Cash Flows (Continued)

(In thousands)

	Twelve Months Ended December 31,	
	2023	**2022**
Reconciliation to amounts on the Consolidated Balance Sheets:		
Cash and cash equivalents	$ 135,704	$ 81,347
Restricted cash	70	115
Total cash, cash equivalents, and restricted cash	$ 135,774	$ 81,462
Supplemental disclosures of noncash financing and investing activities:		

Receivable due from arrangement	$	-	$	700
Mark to market adjustment for available-for-sale investments	$	96	$	(57)
Acquisition of right of use asset through operating lease obligation	$	1,094	$	-
Vesting of early exercised options	$	66	$	209
Change in pension obligation	$	48	$	6

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

Aligos Therapeutics, Inc.
Notes to consolidated financial statements

Unless otherwise indicated, financial information except share and per share data, including dollar values stated in the text of the notes to financial statements, is expressed in thousands of dollars.

1. Organization

Description of business

Aligos Therapeutics, Inc. (Aligos-US) was incorporated in the state of Delaware on February 5, 2018 (inception). On September 10, 2018, the Company formed Aligos Belgium BVBA (the Subsidiary or Aligos-Belgium). On March 30, 2020, the Company formed as a wholly owned subsidiary, Aligos Australia Pty LTD (Aligos-Australia), a proprietary limited company. On May 18, 2021, the Company formed as a wholly owned subsidiary, Aligos Therapeutics (Shanghai) Co. Ltd. (Aligos-Shanghai) and together with Aligos-US, Aligos-Belgium, and Aligos-Australia being the Company or Aligos.

Aligos is a clinical-stage biopharmaceutical company focused on developing novel therapeutics to address unmet medical needs in liver diseases and viral infections, including therapeutics for nonalcoholic in the areas of metabolic dysfunction associated steatohepatitis (NASH) (MASH), coronaviruses, and chronic hepatitis B.B (CHB), and coronavirus (e.g., SARS-CoV-2 and related infections).

The Company is devoting substantially all of its efforts to the research and development of its drug candidates. The Company has not generated any product revenue to date. The Company is also subject to a number of risks similar to other companies in the biotechnology industry, including the uncertainty of success of its preclinical studies and clinical trials, regulatory approval of drug candidates, uncertainty of market acceptance of products, competition from substitute products

and larger companies, the need to obtain additional financing, compliance with government regulations, protection of proprietary technology, dependence on third-parties, product liability, and dependence on key individuals.

Liquidity

The Company has incurred losses and negative cash flows from operations since its inception. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had an accumulated deficit of approximately $399.1 486.8 million and $303.1 399.1 million, respectively. Management expects to continue to incur additional substantial losses in the foreseeable future as a result of expanded research and development activities.

As of December 31, 2022 December 31, 2023, the Company has cash, cash equivalent and investments of approximately $125.8 135.7 million, which is available to fund future operations. The Company expects to continue to spend substantial amounts to continue the nonclinical and clinical development of its current and future programs. If the Company is able to gain marketing approval for drug candidates that are being developed, it will require significant additional amounts of cash in order to launch and commercialize such drug candidates. In addition, other unanticipated costs may arise. Because the design and outcome of the Company's planned and anticipated clinical trials is highly uncertain, the Company cannot reasonably estimate the actual amounts necessary to successfully complete the development and commercialization of any drug candidate the Company may develop.

The Company expects to finance its cash needs through a combination of public or private equity offerings, debt financings, collaborations, strategic alliances, licensing arrangements and other marketing or distribution arrangements. Based on the Company's research and development plans, it is expected that the Company's existing cash, cash equivalents and investments, will enable the Company to fund its operations for at least 12 months following the date the consolidated financial statements are issued. However, the Company's operating plan may change as a result of many factors currently unknown, and the Company may need to seek additional funds sooner than planned. Moreover, it is particularly difficult to estimate with certainty the Company's future expenses given the dynamic nature of its business, the COVID-19 pandemic and the macro-economic environment generally.

The Company's ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond its control. In particular, the COVID-19 pandemic continues to rapidly evolve and has already resulted in a significant disruption of global financial markets. If the disruption persists or deepens, the Company could be unable to access additional capital, which could negatively affect its ability to consummate certain corporate development transactions or other important, beneficial or opportunistic investments. If additional funds

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are not available to the Company when needed, on terms that are acceptable to the Company, or at all, the Company may be required to: delay, limit, reduce or terminate nonclinical studies, clinical trials or other research and development activities or eliminate one or more of its development programs altogether; or delay, limit, reduce or terminate its efforts to establish manufacturing and sales and

marketing capabilities or other activities that may be necessary to commercialize any future approved products, or reduce the Company's flexibility in developing or maintaining its sales and marketing strategy.

2. Summary of significant accounting policies

The accompanying consolidated financial statements have been prepared on a basis that contemplates the continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the normal course of business.

Risks and uncertainties

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, new technological innovations, protection of proprietary technology, dependence on key personnel, compliance with government regulations and the need to obtain additional financing. As a result, the Company is unable to predict the timing or amount of increased expenses or when or if the Company will be able to achieve or maintain profitability. Drug candidates currently under development will require significant additional research and development efforts, including extensive nonclinical and clinical testing and regulatory approval.

Moreover, it is particularly difficult to estimate with certainty the Company's future expenses given the dynamic nature of its business, the COVID-19 pandemic and the macro-economic environment generally.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and include all adjustments necessary for the fair presentation of the Company's financial position for the periods presented. Any reference in these notes to applicable accounting guidance is meant to refer to the authoritative U.S. GAAP included in the Accounting Standards Codification (ASC), and Accounting Standards Update (ASU) issued by the Financial Accounting Standards Board (the FASB).

Principles of consolidation

The accompanying consolidated financial statements include Aligos-US and its wholly owned subsidiaries Aligos-Belgium, Aligos-Australia and Aligos-Shanghai. All intercompany balances and transactions have been eliminated.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP generally requires management to make certain estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. The Company regularly evaluates estimates and assumptions related to assets and liabilities, at the dates of the consolidated financial statements and the reported amounts of expenses during the reporting period. Areas where management uses subjective judgments include, but are not limited to, right-of-use assets, lease obligations,

impairment of long-lived assets, stock-based compensation, accrued research and development costs, revenue from collaborations, revenue from contracts with customers, deferred revenue, redeemable convertible preferred common stock warrants liability, income taxes and pension liabilities in the accompanying consolidated financial statements. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Foreign currency

The Company's foreign subsidiaries use the U.S. dollar as their functional currency, and they initially measure the foreign currency denominated assets and liabilities at the transaction date. Monetary assets and liabilities are then re-measured at exchange rates in effect at the end of each period, and non-monetary assets and liabilities are converted at historical rates. A re-measurement loss was recognized during the year ended December 31, 2022 December 31, 2023 of $42,000 45.7, thousand, and a re-measurement loss was recognized during the year ended December 31, 2021 December 31, 2022 of $6,000 42.0, thousand, and are

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reflected within interest and other income, (expense), net on the consolidated statements Consolidated Statements of operations Operations and comprehensive loss. Comprehensive Loss.

Segment information

The Company has determined that the Chief Executive Officer is its Chief Operating Decision Maker. The Company's Chief Executive Officer reviews financial information presented on a consolidated basis for the purposes of assessing the performance and making decisions on how to allocate resources. Accordingly, the Company has determined that it operates in a single reportable segment. No product revenue has been generated since inception.

The Company has $2.9 million and $0.3 million of fixed assets in Aligos-US and Aligos-Belgium, respectively, as of December 31, 2023 and $4.1 million and $0.7 million of fixed assets in Aligos-US and Aligos-Belgium, respectively, as of December 31, 2022 and $5.0 million and $1.2 million of fixed assets in Aligos-US and Aligos-Belgium, respectively as of December 31, 2021 December 31, 2022.

Cash equivalents

The Company considers all highly liquid investments purchased with original maturities of 90 days or less at acquisition to be cash equivalents.

Restricted cash

As of December 31, 2022 December 31, 2023 and 2021, 2022, the restricted cash balance was $0.1 million and $0.2 0.1 million, respectively, and was used primarily to secure letters of credit in relation to the Company's operating leases and deposits on rental assets (Note 6), as well as employee withholdings for the employee stock purchase plan.

Investments

The Company generally invests its excess cash in money market funds and investment grade short-to-intermediate-term fixed income securities. Such investments are included in cash, cash equivalents, short-term and long-term investments on the consolidated Consolidated Balance Sheets.

The Company determines the appropriate classification of short-term and long-term securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Securities are classified as held-to-maturity when the Company has the positive intent and ability to hold the securities to maturity, otherwise securities are classified as available-for sale. Held-to-maturity securities are carried at amortized cost. Available-for-sale debt securities are measured and reported at fair value using quoted prices in active markets for similar securities. Unrealized gains and losses on available-for-sale securities are reported as a separate component of stockholders' equity. Premiums or discounts from par value are amortized to investment income over the life of the underlying investment. The cost of securities sold is determined on a specific identification basis, and realized gains and losses are included in interest and other income (expense), net within the consolidated statements Consolidated Statements of operations Operations and comprehensive loss. Comprehensive Loss.

For both held-to-maturity and available-for-sale investments, the Company periodically reviews each individual security position that has an unrealized loss, or impairment, to determine if that impairment is other-than-temporary. If the Company believes an impairment of a security position is other than temporary, based on available quantitative and qualitative information as of the report date, the loss will be recognized as other income (expense), net, in the Company's consolidated statements Consolidated Statements of operations Operations and Comprehensive Loss and a new cost basis in the investment is established. No impairment charges were recorded during the years ended December 31, 2022 December 31, 2023 and 2021. 2022.

As of December 31, 2023 there were no investments on the Consolidated Balance Sheets. As of December 31, 2022 and 2021, , investments consisted of Certificates of Deposit and U.S. Treasury securities, with original maturities of up to 1.50 years.

Concentrations of credit risk and significant suppliers

The Company has no significant off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, restricted cash and investments. Periodically, the Company maintains deposits in accredited financial institutions in excess of federally insured limits. The Company deposits its cash in financial institutions that it believes have high credit quality and has not experienced any losses on such accounts and does not believe it is exposed to any

unusual credit risk beyond the normal credit risk associated with commercial banking relationships. The Company generally invests its excess capital in money market funds, U.S. treasury bonds, U.S. treasury bills and certificates of deposit that are subject to minimal credit and market risks.

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The Company is dependent on various third parties to manufacture compounds for the Company to conduct research and studies for its programs. These programs would be adversely delayed by a significant interruption in the supply of active pharmaceutical ingredients.

Leases Accounting for Government Grants

In 2022, the Company was awarded a grant of $1.1 million by the National Institute of Health (NIH) for research to target coronaviruses. The grant is for multiple years with the amount updated after each year of progress through 2025, subject to the annual reapplication and approval by the NIH. In 2023, the approved grant awarded was an additional $1.4 million.

In 2023, the Company was awarded a contract of $8.5 million by the National Institute of Allergies and Infectious Diseases (NIAID) for research to target coronaviruses. This contract is for 2 years.

U.S. GAAP does not contain authoritative accounting standards for grants or contracts provided by governmental entities to a for-profit entity. Absent authoritative accounting standards, interpretative guidance issued and commonly applied by financial statement preparers allows for the selection of accounting policies amongst acceptable alternatives. The Company determined it most appropriate to account for grants by analogy to International Accounting Standards 20 (“IAS 20”), Accounting for Government Grants and Disclosure of Government Assistance. Under this model, reimbursements the Company receives from the U.S. government for qualifying expenditures under the NIH grant will be recognized in earnings as a reduction to research and development expense when there is reasonable assurance that the Company will receive the grant. IAS 20 does not define “reasonable assurance”; however, the Company analogized this to “probable” as defined in FASB ASC 450-20-20 under U.S. GAAP, which is the definition the Company has applied. The grants and contracts will be recognized in earnings as a reduction of the related research and development (R&D) expenses. During the year ended December 31, 2023, $1.6 million was recognized as a reduction to R&D expenses. There was none recognized in the year ended December 2022.

Common warrants liability

The Company accounts for certain warrants as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The Company determined that its outstanding warrants are freestanding derivative instruments. The warrants are subject to remeasurement at each balance sheet date until exercised, and any change in fair value is recognized as a component of interest and other income, net in the Consolidated Statements of Operations and Comprehensive Loss. The fair value of the warrants issued by the Company has been estimated and is revalued at the end of each reporting period using a probability weighted Black-Scholes option pricing model.

Leases

The Company determines at the inception of the lease if an arrangement is a lease at the inception of the lease. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the consolidated balance sheet. Consolidated Balance Sheets. Finance leases are included in property and equipment and finance lease liabilities in the consolidated balance sheet.Consolidated Balance Sheets.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When the Company's leases do not provide an implicit rate, an incremental borrowing rate is used based on the information available at the commencement dates in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The operating lease ROU assets also include any lease payments made and excludes lease incentives when paid by the Company or on the Company's behalf. The Company's lease terms may include the period covered by options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

The Company has lease agreements with lease and non-lease components. The Company elected to not separate lease and non-lease components for all of its building leases. For vehicle leases, lease and non-lease components are accounted for separately. The Company also made an accounting policy election to recognize lease expense for leases with a term of 12 months or less on a straight-line basis over the lease term and not recognize ROU assets or lease liabilities for such leases.

Impairment of Right of Use Assets

In accordance with ASC 360, Property, Plant and Equipment, management reviews the Company's right of use assets for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may

not be fully recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company determines the extent to which an asset may be impaired based upon its expectation of the asset's future usability, as well as on a reasonable assurance that the future cash flows associated with the asset will be in excess of its carrying amount. If the total of the expected undiscounted future cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between fair value and the carrying value of the asset. During the year ended December 31, 2023, the Company vacated certain leased office space and as a result, the Company recorded an impairment charge against right of use assets of $0.7 million, recorded in the Consolidated Statements of Operations and Comprehensive Loss as general and administrative (G&A) expenses. No impairments were recorded in the year ended December 31, 2022.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation, and is depreciated using the straight-line method over the estimated useful life of the asset, which are as follows:

Lab equipment	3 years
Computer equipment	3 years
Furniture and office equipment	3-8 years
Vehicles	4 years
Leasehold improvements	Shorter of the useful life or remaining lease term

Expenditures for repairs and maintenance of assets are charged to expense as incurred. Upon retirement or sale, the cost and related accumulated depreciation of assets disposed of are removed from the accounts and any resulting gain or loss is included in loss from operations.

Impairment of long-lived assets

The Company regularly reviews the carrying amount of its property, equipment and intangible assets to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. If indications of impairment exist, projected future undiscounted cash flows associated with the asset are compared to the carrying amount to determine whether the asset's value is recoverable. If the carrying value of the asset exceeds such projected undiscounted cash flows, the asset will be written down to its estimated fair value. No impairment charges were recorded during the years ended December 31, 2022 December 31, 2023 or 2021. 2022.

Research and development expenses

Research and development costs are expensed as incurred. Research and development expenses consist of costs incurred in performing research and development activities, including salaries, stock-based compensation and benefits, facilities costs, depreciation, and third-party license fees. Non-refundable prepayments for goods or services that will be used or rendered for future research and development activities are deferred and capitalized.

In-process research and development (IPR&D) expense represents the costs to acquire technologies to be used in research and development that have not reached technological feasibility or have no alternative future uses and thus are expensed as incurred. IPR&D expense also includes upfront license fees and milestones paid to collaborators for technologies with no alternative use.

Collaborative arrangements

The Company enters into collaboration arrangements with pharmaceutical and other partners, under which the Company may grant licenses to its collaboration partners to research and develop potential drug candidates. Consideration under these contracts may include an upfront payment, development, regulatory, sales and other milestone payments. Contractual payments received for research and development activities performed are recognized on a gross basis in revenue from collaboration arrangements.

The Company may also perform research and development activities under the collaboration agreements where the Company may be granted licenses from its collaboration partners. Contractual payments to the other party in collaboration agreements and costs incurred by the Company are recognized on a gross basis in research and development expenses. Royalties and license payments are recorded as due.

When the Company enters into collaboration arrangements, the Company assesses whether the arrangement falls within the scope of ASC 808, *Collaborative Arrangements* (ASC 808) based on whether the arrangement involves joint operating activities and whether both parties would be active participants and would be exposed to significant risks and rewards of the arrangement. To the extent that the arrangement falls within the scope of ASC 808, the Company assesses whether the payments between the parties fall within the scope of other accounting literature such as ASC 606, *Revenue from Contracts with Customers* (ASC 606). The upfront payments received during the years ended December 31, 2023 and 2022 were recorded on the Consolidated Balance Sheets as Deferred Revenue from Collaborations.

Revenue from contracts with customers

During The Company enters into revenue arrangements with certain partners. Consideration under these contracts may include an upfront payment, development, regulatory, sales and other milestone payments. Contractual payments received for research and development activities performed are recognized on a gross basis in Revenue from Customers.

The Company may also perform research and development activities under the year ended December 31, 2022, revenue agreements where the Company did not make any milestone payments. No royalties were due; therefore, may be granted licenses from its partners. Contractual payments to the other party in revenue agreements and costs incurred by the Company did not pay or expense any royalties. During the year ended December 31, 2021, are recognized on a development milestone was met and so the Company made a payment of $0.5 million. The milestone payments were included gross basis in research and development in expenses. Royalties and license payments are recorded as due.

When the consolidated statement Company enters into revenue arrangements, the Company assesses whether the arrangement first falls within the scope of operations. ASC 808, *Collaborative Arrangements* (ASC 808) based on whether the arrangement involves joint operating activities and whether both parties would be active participants and would be exposed to significant risks and rewards of the arrangement. If the arrangement does not fall into this literature, the Company then looks to ASC 606, *Revenue from Contracts with Customers* (ASC 606) to see whether the partner is considered a customer. The upfront payment payments received during the year years ended December 31, 2021 was December 31, 2023 and 2022 were recorded on the consolidated balance sheet Consolidated Balance Sheets as deferred revenue Deferred Revenue from collaborations.Customers.

Fair value measurements

Certain assets and liabilities of the Company are carried at fair value under U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

Stock-based compensation

The Company's stock-based awards consist of restricted stock awards and stock options. For stock-based awards issued to employees and nonemployees, the Company measures the estimated fair value of the stock-based awards on the date of grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective awards. The Company records expense for awards with service-based vesting using the straight-line method. The Company accounts for forfeitures as they occur.

The Company classifies stock-based compensation expense in its consolidated statements Consolidated Statements of operations Operations and comprehensive loss Comprehensive Loss in the same manner in which the award recipient's cash compensation costs are classified.

The fair value of each restricted stock award is determined based on the number of shares granted and the value of the Company's common stock on the date of grant. The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option pricing model. The Black-Scholes option-pricing model requires the use of a number of assumptions including the fair value of the common stock, expected volatility, risk-free interest rate, expected dividends, and expected term of the option.

The Company determined the expected stock volatility using a weighted-average of the historical volatility of a group of guideline companies that issued options with substantially similar terms, and expects to continue to do so until such time as the Company has adequate historical data regarding the volatility of its own traded stock price. The expected term of the Company's stock options has been determined utilizing the simplified method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero.

The fair value of the Company's 2020 Employee Stock Purchase Plan (the ESPP) is determined on the date the offering period begins using a Black-Scholes option-pricing model and similar assumptions for stock options as described above.

See Note 8 9 for the assumptions used by the Company in determining the grant date fair value of stock-based awards granted, as well as a summary of the stock-based award activity under the Company's stock-based compensation plan for years ended December 31, 2022 December 31, 2023 and 2021. 2022.

Income taxes

Deferred tax assets and liabilities are determined on the basis of the differences between the consolidated 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. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established.

The Company accounts for uncertain tax positions recognized in the consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related interest and penalties.

Net loss per share

Basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, without consideration for potentially dilutive securities. The weighted-average number of shares of common stock outstanding includes the shares subject to the pre-funded warrants as per ASC 260, shares issuable for little or no cash consideration upon the satisfaction of certain conditions, shall be considered outstanding common shares.

Diluted net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common stock and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share calculation, redeemable convertible preferred stock, stock options, common stock subject to repurchase related to early exercise of stock options, unvested restricted stock subject to repurchase, common stock warrants and convertible notes are considered to be potentially dilutive securities.

Accordingly, in periods in which the Company reports a net loss, diluted net loss per share is the same as basic net loss per share, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

Benefit plans

The Company has established a defined contribution savings plan for its employees in Aligos-US under Section 401(k) of the Internal Revenue Code, and a defined benefits plan for its employees in Aligos-Belgium.

The Company uses the standard method for the recognition of the actuarial results as described in ASC 715. This means application of a 10% corridor and amortization over the expected average remaining working lives of

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the employees. The plan contains benefits to the plan participant on the normal plan retirement date and benefits to the partner after death of the plan participant. This plan is recognized under ASC 715.

Recently issued accounting standards

In June 2016, the FASB issued ASU No. 2016-13. *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which requires that financial assets measured at amortized cost be presented at the net amount expected to be collected. Currently, U.S. GAAP delays recognition of the full amount of credit losses until the loss is probable of occurring. Under this ASU, the income statement will reflect an entity's current estimate of all expected credit losses. The measurement of expected credit losses will be based upon historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* (ASU 2018-19), which clarifies that receivables from operating leases are accounted for using the lease guidance and not as financial instruments. In April 2019, the FASB issued ASU No. 2019-04, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses* (ASU 2019-04), which clarifies the new expected credit loss methodology for loans, receivables and other financial assets, including recoveries and accrued interest on receivables. In November 2019, the FASB issued ASU No. 2019-11, *Codification Improvements to Topic 326*, *Financial Instruments—Credit Losses* (ASU 2019-11), which clarifies guidance around how to report expected recoveries. The standard is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company is evaluating the potential impact of adopted this standard in fiscal year 2023 and there was not a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* (ASU 2019-12). The guidance removes specific exceptions to the general principles in ASC 740, improves application of income tax-related guidance and reduces complexity related to the accounting for income taxes. The standard is effective for fiscal years beginning after December 15, 2021, and interim periods with fiscal years beginning after December 15, 2022 December 15, 2020. Early adoption is permitted. The Company has evaluated the impact of adopted this standard in fiscal year 2021 and there is not a material impact on its consolidated financial statements.

From time to time, new accounting pronouncements are issued by FASB that the Company adopts as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has the option to not "opt out" of the extended transition related to complying with new or revised accounting standards. This means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company has the option to adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

3. Property and equipment

The components of property and equipment were as follows as of December 31, 2022 December 31, 2023 and 2021:2022:

(in thousands)	2022	2021	December 31, 2023	December 31, 2022
Leasehold improvements	$ 6,087	$ 5,940	$ 6,101	$ 6,087
Lab equipment	6,179	5,709	5,830	6,179
Computer equipment	1,052	994	1,051	1,052
Furniture and office equipment	739	472	732	739
Vehicles	305	305	296	305
Asset under construction	22	22	4	22
Total, at cost	14,384	13,442	14,014	14,384
Accumulated depreciation	(9,568)	(7,262)	(10,755)	(9,568)
Total, net	$ 4,816	$ 6,180	$ 3,259	$ 4,816

During the years ended December 31, 2022 December 31, 2023 and December 31, 2021, 2022, depreciation expense was $2.3 1.6 million and $3.0 2.3 million, respectively. Finance leases for vehicles and lab equipment are also included in property and equipment on the consolidated balance sheets Consolidated Balance Sheets (Note 6).

4. Investments

As of December 31, 2022 and 2021, , amortized cost, gross unrealized gains and losses, and estimated fair values of total fixed-maturity securities were as follows:

(in thousands)	December 31, 2022 Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value	December 31, 2022 Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
Available-for-sale securities:								

U.S. Treasury bonds	$ 44,576	$ -	$ (96)	$ 44,480				
Certificates of deposit	-	-	-	-				
	$ 44,576	$ -	$ (96)	$ 44,480				

(in thousands)	December 31, 2021			
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Estimated Fair Value
Available-for-sale securities:				
U.S. Treasury bonds	$ 15,146	$ -	$ (36)	$ 15,110
Certificates of deposit	3,922	-	(4)	3,918
	$ 19,068	$ -	$ (40)	$ 19,028

The Company had no available for sale securities as of December 31, 2023.

Changes in fair value are related to changes in market interest rates. The Company expects to collect all contractual principal and interest payments.

Amortized cost and estimated fair value of fixed-maturity securities at December 31, 2022 by contractual maturity were as follows:

(in thousands)	2022	
	Amortized Cost	Estimated Fair Value
Amounts maturing in:		
One year or less	$ 44,576	$ 44,480
More than one year	—	—
Total investments	$ 44,576	$ 44,480

The Company recorded interest income of $1.5 4.3 million and $0.2 1.5 million, respectively, during the years ended December 31, 2022, December 31, 2023 and 2021, 2022, as a component of interest and other income, net on the Company's consolidated statement Consolidated Statement of operations Operations and comprehensive loss.Comprehensive Loss.

5. Accrued liabilities

Accrued liabilities consisted of the following as of December 31:

(in thousands)	2022	2021

			December 31, 2023	December 31, 2022
Accrued compensation	$ 6,297	$ 6,329	$ 6,673	$ 6,297
Accrued payables	8,203	17,554	7,144	8,203
Liability for early exercised stock options	66	276	-	66
Other	1,473	1,235	3,025	1,473
Total	$ 16,039	$ 25,394	$ 16,842	$ 16,039

As of December 31, 2023, there remains a $0.3 million accrual, included within Accrued Compensation for employee severance, none of which is expected to remain by the end of 2024.

6. Leases

The Company has operating and finance leases for corporate offices, research and development facilities, and certain vehicles and lab equipment. These leases have remaining lease terms of four three to six five years, some of which include options to extend the leases for five to eight years. The Company has determined that it is not reasonably certain to exercise the options under any leases. The lease of research and development facilities includes costs for

utilities and common area maintenance which have been included in the calculation of lease payments. Differences between lease payments as measured at lease inception and variations in monthly payments will be recognized as operating expenses in the period in which the obligation is incurred. The Company entered into a 5-year lease in the fourth quarter of 2021. The lease is for approximately 12,000 square feet of office space in South San Francisco, with a renewal option for an additional 5-years, which we are not certain to renew at this time. The rental payments under the lease agreement are approximately $2.7 million over the lease term. During the year ended December 31, 2023, the Company vacated certain leased office space and as a result, the Company took an impairment charge against right of use assets of $0.7 million, recorded in the Consolidated Statements of Operations and Comprehensive Loss. No impairments were made in the year ended December 31, 2022.

Leases with an initial term of 12 months or less are not recorded on the balance sheet, and the Company recognizes lease expense for these leases on a straight-line basis over the lease terms. Leases with terms greater than 12 months are included in operating lease ROU assets and operating lease liabilities in the Company's consolidated balance sheets Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and 2021. 2022. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Maturities of lease liabilities as of December 31, 2022 December 31, 2023, were as follows:

(in thousands)	Operating Lease	Finance Lease	Operating Lease	Finance Lease
Year ending December 31:				
2023	$ 3,425	$ 189		
2024	3,305	64	$ 3,562	$ 63
2025	3,418	63	3,680	65
2026	3,534	42	3,801	44
2027	1,170	—	1,443	-
2028			161	-
Thereafter	-	—	-	-
	14,852	358	12,647	172
Less: imputed interest	(2,616)	(20)	(1,750)	69
Present value of lease liabilities	12,236	338	10,897	241
Less: current portion	(3,035)	(108)	(3,229)	(10)
Lease liabilities net of current portion	$ 9,201	$ 230		
Lease liabilities, net of current portion			$ 7,668	$ 231

The components of lease expense were as follows for the years ended December 31, 2022 December 31, 2023 and 2021:2022:

(in thousands)	2022	2021	2023	2022
Operating lease cost	$ 2,504	$ 1,990	$ 2,321	$ 2,504
Finance lease cost:				
Amortization of right-of-use assets	108	107	$ 84	$ 108
Interest on lease liabilities	13	15	11	13

Total finance lease cost	$ 121	$ 122	$ 95	$ 121
Short-term lease cost	$ —	$ 89		

The Company made payments of $3.4 3.6 million and $2.8 3.4 million during the years ended December 31, 2022, December 31, 2023 and 2021, 2022, respectively, which are included as cash flow from operations on the consolidated statements Consolidated Statements of cash flows.Cash Flows.

As of December 31, 2022 December 31, 2023 and 2021, 2022, $0.7 million and $0.6 0.7 million of finance lease ROU assets, respectively, were presented as part of property and equipment on the consolidated balance sheet Consolidated Balance Sheets with accumulated amortization of $0.3 0.4 million and $0.2 0.3 million, respectively.

Additional information related to the Company's leases was as follows as of December 31:

	2022	2021	December 31, 2023	December 31, 2022
Operating Lease:				
Weighted-average remaining lease term (years)	4.21	5.18	3.38	4.21
Weighted-average discount rate	9.04%	9.08%	7.94%	9.04%
Finance Lease:				
Weighted-average remaining lease term (years)	3.26	3.83	2.67	3.26
Weighted-average discount rate	5.15%	4.86%	5.57%	5.15%

7. Capital stock

Common stock

On October 20, 2020, the certificate of incorporation was amended to increase the total shares of Common Stock common stock authorized for issuance to 320,000,000 and decrease the total shares of preferred stock authorized for issuance to 10,000,000 with a par value of $0.0001 per share. 300,000,000 shares of the Common Stock common stock were designated as “Voting Common Stock” and 20,000,000 shares of the Common Stock common stock were designated as “Non-Voting Common Stock”.

The holders of shares of voting Common Stock common stock are entitled to one vote for each share of Common Stock common stock at all meetings of stockholders.

Preferred stock

As of December 31, 2022 December 31, 2023 and 2021, 2022, there were 10,000,000 shares of preferred stock authorized and no preferred stock issued.

8. Common Warrants and Pre Funded Warrants

In October 2023, the Company entered into the Securities Purchase Agreement with certain institutional and accredited investors, pursuant to which the Company agreed to offer, issue and sell to these investors, in a private placement, 31,429,266 shares of common stock, par value $0.0001 per share (the "Common Stock"), 2023 Pre-Funded Warrants to purchase an aggregate of 81,054,686 shares of Common Stock,, and Common Warrants to purchase an aggregate of 56,241,973 shares of Common Stock. Each Pre-Funded Warrant has an exercise price of $0.0001 per share of common stock, was immediately exercisable and is exercisable until exercised in full. Each accompanying Common Warrant has an exercise price of $0.7568 per share of common stock, is immediately exercisable and will expire on October 25, 2030. The closing of the offering occurred on October 25, 2023. The Company received gross proceeds of approximately $92.1 million, and after deducting the placement agent fees and expenses and offering costs, net proceeds were approximately $86.2 million.

The Company measured the fair value of the Common Stock and the Pre-Funded Warrants based on the $0.7568 per share purchase price stated in the Securities Purchase Agreement. The Company measured the fair value of the 2023 Common Warrants using the Black-Scholes option pricing model.

The Company used the with-and-without method to allocate the net proceeds received from the sale of the Common Stock, the Pre-Funded Warrants, and the Common Warrants on the Consolidated Balance Sheets as follows:

	As of October 25, 2023

Common Stock	$	18,641
Pre-Funded Warrants	$	48,079
Common Warrants	$	25,427
Total	$	92,147

The following table summarizes information about shares issuable under the Pre-Funded Warrants outstanding at December 31, 2023:

	Pre-funded warrant shares outstanding
Outstanding at January 1, 2023	-
Issued	81,054,686
Outstanding at December 31, 2023	81,054,686
Exercisable at December 31, 2023	81,054,686

The following table sets forth a summary of the activities of the Company's warrant liability, which represents a recurring measurement that is classified with Level 3 of the fair value hierarchy wherein the fair value is estimated using significant unobservable inputs:

	Common warrant liability
Beginning liability as of January 1, 2023	-
Common warrants issued	25,427
Change in fair value of liability as of December 31, 2023	2,169
Ending liability as of December 31, 2023	27,596

The fair value of the common warrants was measured using the Black Scholes option pricing model and will be remeasured each reporting period, and the change in fair value will be recorded in earnings. The assumptions that the Company used to determine the fair value at issuance and the reporting date of the common warrants granted to participants were as follows:

	2023
Expected term (in years)	6.83 - 7.00
Risk-free interest rate	3.88% - 4.98%
Dividend yield	-
Volatility	81.09% - 82.80%

The following table summarizes information about shares issuable under the Common Warrants outstanding at December 31, 2023:

	Common warrant shares outstanding
Outstanding at January 1, 2023	-
Issued	56,241,973
Outstanding at December 31, 2023	56,241,973
Exercisable at December 31, 2023	56,241,973

9. Stock-based compensation

2018 Equity incentive plan

The Company's 2018 Equity Incentive Plan (the 2018 Plan) allows the Company to issue restricted stock awards and restricted stock units, and to grant incentive stock options or non-qualified stock options. Incentive stock options may be granted only to the Company's employees including officers and members of the Board who are also employees. Restricted stock awards, restricted stock units and non-qualified stock options may be granted to employees, members of the Board, outside advisors, and consultants of the Company (the Participants). The Company is authorized to issue awards for 4,913,665 shares of Common Stock under the 2018 Plan. The Company has granted awards of common stock in the form of 4,279,693 shares as of December 31, 2022 December 31, 2023 with no nonene remaining available for future grant. Following the Company's IPO in October 2020, all remaining shares from the 2018 Plan will be available for issuance under the 2020 Plan (as defined below).

2020 Incentive award plan

The Company adopted the 2020 Incentive Award Plan (the 2020 Plan) effective October 15, 2020. The 2020 Plan provides for a variety of stock-based compensation awards, including stock options, stock appreciation rights, or SARs, restricted stock awards, restricted stock unit awards, performance bonus awards, performance stock unit awards, dividend equivalents, or other stock or cash based awards. The Company has granted 8,967,670 11,173,830 shares subject to awards as of December 31, 2022 December 31, 2023 with 562,010 1,992,349 remaining available for future grant.

Following the effectiveness of the 2020 Plan, the Company will not make any further grants under the 2018 Plan. However, the 2018 Plan will continue to govern the terms and conditions of the outstanding awards granted under this plan. Shares of common stock subject to awards granted under the 2018 Plan that are forfeited or lapse unexercised and which following the effective date of the 2020 Plan are not issued under the 2018 Plan will be available for issuance under the 2020 Plan.

2020 Employee stock purchase plan

The Company adopted the 2020 Employee Stock Purchase Plan (the 2020 ESPP) effective on October 15, 2020. The 2020 ESPP enables eligible employees of the Company to purchase shares of common stock at a discount

to fair market value. The Company has initially reserved for issuance 368,901 shares of common stock pursuant to the 2020 ESPP. As of December 31, 2022 December 31, 2023, 265,465 993,016 grants of awards under this plan have been made.

During the year ended December 31, 2022 December 31, 2023 and 2021, 2022, the Company's 2020 ESPP compensation expense was $1.3 0.9 million and $0.8 1.3 million, respectively. The assumptions that the Company used to determine the grant-date fair value of shares granted to participants were as follows, disclosed on a grant date basis:

	2022	2021	2023	2022
Expected term (in years)	0.5 - 2.0 years	0.5 - 2.0 years	0.5 - 2.0 years	0.5 - 2.0 years
Risk-free interest rate	1.54% - 4.62%	0.03% - 0.54%	2.07% - 5.38%	1.54% - 4.62%
Dividend yield	—	—	-	-
Volatility	57.21% - 73.67	50.41% - 97.14%	50.36% - 64.26%	57.21% - 73.67%
Weighted-average estimated fair value of purchase rights	$0.28 - $2.46	$4.13 - $13.49	$0.16 - $2.43	$0.28 - $2.46

Stock options

The exercise price for incentive stock options is at least 100% of the fair market value on the date of grant for stockholders owning less than 10% of the voting power of all classes of stock, or at least 110% of the fair market value for stockholders owning more than 10% of the voting power of all classes of stock. Options generally expire in 10 years and vest over periods determined by the Board, generally 48 months. Certain stock options referred to as “early exercise stock options” permit the holders to exercise the option in whole or in part prior to the full vesting of the option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the option so exercised.

During the years ended December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Company’s stock option compensation expense was approximately $13.4 11.8 million and $12.2 13.5 million, respectively, and

there was no recognized tax benefit in either year. As of December 31, 2022 December 31, 2023, the unamortized expense balance was $28.3 9.4 million, to be amortized over a weighted-average period of 2.26 1.37 years.

The assumptions that the Company used to determine the grant-date fair value of stock options granted to Participants were as follows, presented on a weighted-average basis:

	2022	2021
Expected term (in years)	5.95	5.72
Risk-free interest rate	2.20%	0.99%
Dividend yield	—	—
Volatility	80.41%	81.21%

	2023	2022
Expected term (in years)	6.00	5.95
Risk-free interest rate	3.83%	2.20%
Dividend yield	-	-
Volatility	76.65%	80.41%

Stock option activity during the year ended December 31, 2022 December 31, 2023 and 2021 2022 was as follows:

	Number of Options	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in $000)	Shares subject to options	Weighted-average exercise price	Weighted-average remaining contractual term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2020	5,488,148	$ 11.19	9.57	$ 90,335				

Outstanding as of December 31, 2021						5,692,514	$	12.07	8.63	$ 16,763
Granted	482,380	$	20.31			5,090,824	$	2.58		
Exercised	(123,621)	$	3.16		2,338	(12,896)	$	1.57		19
Forfeited or expired	(154,393)	$	13.66							
Outstanding as of December 31, 2021	5,692,514	$	12.07	8.63	$ 16,763					
Forfeited or Expired						(930,315)	$	8.72		
Outstanding as of December 31, 2022						9,840,127	$	7.49	8.28	$ —
Granted	5,090,824	$	2.58			2,251,160	$	1.19		
Exercised	(12,896)	$	1.57		19	(17,109)	$	1.34		$ —
Forfeited or expired	(930,315)	$	8.72							
Outstanding as of December 31, 2022	9,840,127	$	7.49	8.28	$ —					
Options vested and expected to vest as of December 31, 2022	9,836,359	$	7.49	8.28	$ —					
Options vested and exercisable as of December 31, 2022	3,730,149	$	9.33	7.65	$ —					
Forfeited or Expired						(1,697,340)	$	6.00		
Outstanding as of December 31, 2023						10,376,838	$	6.38	6.90	$ —

Options vested and expected to vest as of December 31, 2023	10,376,838	$ 6.38	6.90	$	—
Options vested and exercisable as of December 31, 2023	6,049,770	$ 8.08	5.77	$	—

The weighted-average grant date fair value of stock options granted was $0.82 per share during the year ended December 31, 2023. The weighted-average grant date fair value of stock options granted was $1.80 per share during the year ended December 31, 2022. The weighted-average grant date fair value of stock options granted was $13.76 per share during the year ended December 31, 2021.

During the years ended December 31, 2022 December 31, 2023 and 2021 2022 the Company did not issue shares for unvested stock options. As of December 31, 2022 and 2021, , there were 28,711 and 163,855 shares of Common Stock, respectively, held by employees subject to repurchase at an aggregate price of $0.1 million, and $0.3 million, respectively. A corresponding liability was recorded and included in accrued expenses on the consolidated balance sheet Consolidated Balance Sheets as of December 31, 2022 and 2021. . As of December 31, 2023, there were no shares of Common Stock held by employees subject to repurchase.

Restricted stock awards

The Company may grant restricted stock purchase awards to the Participants to purchase restricted stock under the Company's Plan, which are subject to vesting conditions. The purchase prices of the restricted stock are determined by the Board. The Company has a right to repurchase the shares if the Participant's service period is not fulfilled or upon termination of service at the original per share issuance price. The right of repurchase lapses over a service period which is typically four years with 25% vesting on the first anniversary of the vesting commencement date and 1/48 each month thereafter.

Before the adoption of the Company's Plan, the Company granted 502,964 restricted stock awards to employees and founders. These restricted stock awards have similar characteristics to the restricted stock awards granted under the Company's Plan, other than the right of repurchase, which typically lapses over three years with 33% vesting on the first anniversary of the vesting commencement date and 1/36 each month thereafter.

During the years ended December 31, 2022 December 31, 2023 and December 31, 2021, 2022, the Company recorded a total stock-based compensation expense of $0.1 31.0 million thousand and $0.4 0.1 million, respectively, related to the restricted stock awards. As of December 31, 2023, there was $0.1 million unrecognized stock-based compensation costs

related to outstanding unvested restricted stock awards that are expected to vest over 1.14 years. As of December 31, 2022, there was no unrecognized stock-based compensation costs related to outstanding unvested restricted stock awards that are expected to vest.

The following table summarizes the Company's restricted common stock activity for years ended December 31, 2022 December 31, 2023 and 2021:2022:

	Number of Awards	Weighted-Average Grant Date Fair Value per Share	Aggregate Fair Value ($000)	Number of Awards	Weighted-Average Grant Date Fair Value	Aggregate Fair Value (in thousands)
Issued and unvested as of December 31, 2020	408,411	$ 1.16	$ 473			
Issued and unvested as of December 31, 2021				89,054	$ 1.30	$ 117
Restricted stock awards granted	—		—	-	-	-
Restricted stock awards vested	(319,357)	$ 1.12	(356)	(89,054)	1.30	(117)
Issued and unvested as of December 31, 2021	89,054	$ 1.30	$ 117			
Issued and unvested as of December 31, 2022				-	-	-
Restricted stock awards granted	—		—	134,120	0.84	113
Restricted stock awards vested	(89,054)	$ 1.30	(117)	—	-	-

Issued and unvested as of December 31, 2022	0	$ —	$ —			
Issued and unvested as of December 31, 2023				134,120	$ 0.84	$ 113

Stock-based compensation expense was allocated as follows for the years ended December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022:

(in thousands)	2022	2021	Year Ended December 31, 2023	Year Ended December 31, 2022
Research and development	$ 8,006	$ 7,554	$ 6,843	$ 8,006
General and administrative	6,687	5,903	5,809	6,687
Total	$ 14,693	$ 13,457	$ 12,652	$ 14,693

10. Fair value measurements

The following tables present the fair value of the Company's financial instruments that are measured or disclosed at fair value on a recurring basis:

(in thousands)	Fair Value Measurements as of December 31, 2022 Level 1	Level 2	Level 3
Assets:			
Cash equivalents	$ 81,347	$ —	$ —
Certificates of deposit	-	—	—
U.S. Treasury bonds	44,480	—	—

				$ 125,827	$ —	$ —

	Fair Value Measurements as of December 31, 2021			Fair Value Measurements as of December 31, 2023		
(in thousands)	Level 1	Level 2	Level 3			
				Level 1	Level 2	Level 3
Assets:						
Cash equivalents	$ 186,816	$ —	$ —	$ 135,704	$ -	$ -
Certificates of deposit	3,918	—	—			
Liabilities:						
Warrant liability						(27,596)
				$ 135,704	$ -	$ (27,596)

	Fair Value Measurements as of December 31, 2022		
	Level 1	Level 2	Level 3
Assets:			
Cash equivalents	$ 81,347	$ -	$ -
U.S. Treasury bonds	44,480	-	-
	$ 125,827	$ -	$ -

10. 11. License and collaboration agreements

Agreement with Emory University (Emory)

In June 2018, the Company entered into a license agreement with Emory (the Emory License Agreement), pursuant to which Emory granted the Company a worldwide, sublicenseable license under certain of its intellectual property rights to make, have made, develop, use, offer to sell, sell, import and export products containing certain compounds relating to Emory's hepatitis B virus capsid assembly modulator technology, for all therapeutic and prophylactic uses. Such license is initially exclusive with respect to specified licensed patents owned by Emory and non-exclusive with respect to certain of Emory's specified know-how. In June 2022, the license to such patents became non-exclusive with respect to all fields except for the treatment and prevention of HBV; however, the Company may select up to six compounds which will maintain exclusivity with respect to all therapeutic and prophylactic uses. With respect to all other compounds that are enabled by the licensed patents, those which are jointly invented by the Company and Emory or inventors in the Schinazi laboratory, or which are disclosed in a specified licensed patent, are licensed to the Company exclusively including as to Emory; whereas all other such compounds are licensed to the Company non-exclusively. Under the terms of the Emory License Agreement, the

Company is obligated to use commercially reasonable efforts to bring licensed products to market in accordance with a mutually agreed upon development plan. Unless terminated earlier by either party in accordance with the provisions thereof, the Emory License Agreement shall continue until the expiration of the last–to-expire of the patents licensed to the Company thereunder.

In June 2020, the Company amended the license agreement with Emory. Pursuant to the amended license agreement, Emory granted the Company additional patent rights to certain compounds targeting the treatment or prevention of HBV. As consideration for the additional rights, the Company made a one-time, non-refundable payment to Emory in the amount of $0.2 million, with an additional obligation to pay up to a maximum of $35,000. On the same date, the Company entered into a collaboration agreement with Emory, with the initial research plan pertaining to the synthesis and evaluation of the compounds licensed through the additional patent rights granted in the amended license agreement. The research plan terminates one year from the effective date, with the Company having an option to extend for a second year. In connection with the research plan, the Company will provide Emory funding up to $0.3 million per year.

The Company has agreed to pay Emory up to an aggregate of $125.0 million upon the achievement of specified development, regulatory, and commercial milestones, and all ongoing patent costs. During the year ended December 31, 2022, the Company had $0.2 million expenses related to milestone payments. During the year ended December 31, 2021, the Company made a payment of $0.2 million in relation to milestone payments. The Company also agreed to pay Emory tiered single-digit royalties on worldwide annual net sales of licensed products, on a quarterly basis and calculated on a product-by-product basis. With respect to licensed products containing any of a specified subset of the licensed compounds, such royalties range from a mid-single digit to a high-single digit percentage rate. With respect to licensed products which do not contain such compounds, the royalties span a range of percentage rates within the mid-single digits if a Phase 1 clinical trial is initiated for the product within three years of the effective date of the Emory License Agreement, and range from a low-single digit to a mid-single digit rate if a Phase 1 clinical trial is initiated more than three years after the effective date. During the years ended December 31, 2022 and December 31, 2021, the Company made no payments associated with royalties.

Agreement with Luxna Biotech Co., Ltd. (Luxna)

On December 19, 2018, the Company entered into a license agreement with Luxna, pursuant to which Luxna granted the Company an exclusive, worldwide, sublicenseable license under certain of Luxna's intellectual property rights to research, develop, make, have made, and commercialize for all therapeutic and prophylactic uses, (i) products containing oligonucleotides targeting the hepatitis B virus genome, (ii) products containing certain oligonucleotides targeting up to three genes which contribute to NASH, which the Company may select at any time during the first eight years of the term, to the extent not licensed to a third party, and (iii) products containing oligonucleotides targeting up to three genes which contribute to hepatocellular carcinoma, which the Company may select at any time during the first three years of the term. As consideration for this agreement, the Company paid an upfront license fee of $0.6 million.

In April 2020, the Company amended the license agreement with Luxna. Pursuant to the amended license agreement, Luxna granted the Company an exclusive, worldwide license under the licensed patents to research, develop, make, have made and commercialize products containing oligonucleotides targeting three families of

viruses: Orthomyxoviridae, Paramyxoviridae, and Coronaviridae (a family which includes SARS-CoV-2). As consideration for the amended license agreement, the Company paid Luxna a one-time non-refundable fee of $0.2 million in April 2020.

The Company is obligated to make payments to Luxna, in aggregate, totaling up to but no more than $55.5 million upon the achievement of specified development, regulatory, and commercial milestones. During the year ended December 31, 2022, the Company did not make any milestone payments, and in the year ended December 31, 2021, the Company recognized $0.5 million in milestone payments. The Company is also required to pay Luxna a low-single digit royalty percentage on net sale of applicable products, if any. During the years ended December 31, 2022 and December 31, 2021, the Company made no payments associated with royalties.

Agreement with Katholieke Universiteit Leuven (KU Leuven)

On June 25, 2020, the Company entered into a Research, Licensing and Commercialization Agreement (KU Leuven Agreement) with KU Leuven, under which the Company is collaborating with KU Leuven's Rega Institute for Medical Research, as well as its Centre for Drug Design and Discovery, to research and develop potential protease inhibitors for the treatment, diagnosis or prevention of coronaviruses, including of SARS-CoV-2. Unless terminated earlier by either party in accordance with provisions in the agreement, the collaboration period will terminate at the earlier of completion of all collaboration activities or 2.5 years. In connection with the KU Leuven Agreement, KU Leuven and the Company granted each other exclusive cross-licenses to use certain know-how and existing patents of the other party as well as certain joint know-how and joint patents to carry out research and development collaboration activities during the collaboration period. KU Leuven granted to the Company an exclusive (including as to KU Leuven), worldwide license under certain of KU Leuven's know-how and existing patents, and certain joint patents and joint know-how, to manufacture and commercialize the licensed products for the treatment, diagnosis or detection of viral infections in humans. KU Leuven reserved the right to use all KU Leuven knowhow, existing KU Leuven patents, joint patents and joint know-how for academic and non-commercial research and teaching purposes. As consideration for this license, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to but no more than $30.0 million upon the achievement of certain commercial sales milestones. For each licensed product developed through KU Leuven and the Company's collaborative effort, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to $32.0 million upon the achievement of certain development and regulatory milestones. The Company is also required to pay KU Leuven a low-to-mid-single digit royalty percentage, subject to certain adjustments, on net sales of applicable products, if any. Unless terminated earlier by either party, the agreement shall continue until the expiration of the last to expire royalty term, which is the later of the expiration or termination of the last valid patent claim covering the manufacture, use, sale or importation of the licensed product in a particular country or 10 years after the first commercial sale of a licensed product. During the years ended December 31, 2022 and December 31, 2021, the Company recognized no expenses related to milestone payments.

Agreements with Merck

In December 2020, the Company and Merck Sharp & Dohme Corp. (Merck), a subsidiary of Merck & Co., Inc., entered into an exclusive License and Research Collaboration Agreement (Original Agreement) under which Merck and the Company agreed to apply the Company's oligonucleotide platform technology to discover, research, optimize and develop oligonucleotides directed against a NASH MASH target and up to one additional liver-targeted cardiometabolic and/or fibrosis target. Under the terms of the Original Agreement, the Company received an upfront payment of $12 million from Merck. With

respect to the collaboration target, the Company is eligible to receive up to $458.0 million in development and commercialization milestones as well as tiered royalties on net sales of licensed products. These potential payments consist of (i) potential development milestones (such as for the first dosing of an animal specimen in a Good Laboratory Practice toxicology study, and initiation of Phase 1, 2 and 3 clinical trials), (ii) regulatory milestones (such as for marketing authorizations for a product in certain countries) and (iii) sales-based milestones. The Company is primarily responsible for designing, preparing and evaluating the oligonucleotide molecules and delivering optimized lead molecules, and Merck is responsible for subsequent research, clinical development and commercialization efforts.

In January 2022, the Company and Merck entered into an amendment to the exclusive License and Research Collaboration Agreement (the First Amendment, together with the Original Agreement, the Expanded Arrangement). As a result of the First Amendment, our collaboration with Merck was expanded to include our grant of rights to Merck of an early-stage program with respect to a second undisclosed NASH MASH target, on which the Company had previously been working independently. In addition, under this Expanded Arrangement, Merck has

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the ability to add an additional third target of interest in the cardiometabolic/fibrosis space to the collaboration. This right to add an additional third target expired in January 2023. Under the Expanded Arrangement, the Company received an upfront payment of $15 million from Merck for our grant of rights to the program directed at a second undisclosed NASH MASH target. Moreover, the Company may receive an additional payment of $15 million from Merck if Merck elects to designate a third target for collaboration. With respect to the second target in the collaboration, the Company is eligible to receive up to approximately $460.0 million in development and commercialization milestones as well as tiered royalties on net sales. These potential payments consist of (i) potential development milestones (such as for the first dosing of an animal specimen in a Good Laboratory Practice toxicology study, and initiation of Phase 1, 2 and 3 clinical trials), (ii) regulatory milestones (such as for marketing authorizations for a product in certain countries) and (iii) sales-based milestones.

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In February 2023, Merck provided to the Company written notice of termination for one of the targets in the collaboration.

The Company determined that the Original Agreement and First Amendment fall within the scope of ASC 808, Collaborative Arrangements (ASC 808), due to Merck and the Company being joint active participants, as well as both parties having significant risks and rewards. The Company analogized to ASC 606, Revenue from Contracts with Customers (ASC 606), for the accounting of payments including upfront payments and other milestones. Management of the Company

determined that there was one performance obligation for each of the agreements given the deliverables are not distinct. The Company evaluated the performance obligation within each agreement and determined the performance obligations are satisfied over time as Merck jointly owns any collaboration intellectual property that is developed during the research term. Given the nature of the arrangements, the Company believes that the satisfaction of its performance obligations is best measured by the progress of its efforts. As such, the Company has used an input method based on costs incurred to recognize revenue associated with the upfront payments. This assessment is performed separately for each of the Original Agreement and the First Amendment, and the Company recognizes revenue over time based on the costs incurred. The effect of any updates to the estimated overall costs are recorded as a change in estimate. In addition, variable consideration (e.g., milestone payments) were evaluated based on the Company's analysis that the possibility of achieving any of the milestone payments is remote, and therefore determined to be constrained and excluded from the transaction price. Similarly, the Company accounts for the future royalties under the sales-based royalty exception in ASC 606-10-55-65 through 55-65B therefore they are not considered in the transaction price and expected to be recognized when future sales occur since that is expected to occur after the performance obligation has been fully satisfied.

Agreement with Emory University (Emory)

In June 2018, the Company entered into a license agreement with Emory (the Emory License Agreement), pursuant to which Emory granted the Company a worldwide, sublicensable license under certain of its intellectual property rights to make, have made, develop, use, offer to sell, sell, import and export products containing certain compounds relating to Emory's hepatitis B virus capsid assembly modulator technology, for all therapeutic and prophylactic uses. Such license is initially exclusive with respect to specified licensed patents owned by Emory and non-exclusive with respect to certain of Emory's specified know-how. In June 2022, the license to such patents became non-exclusive with respect to all fields except for the treatment and prevention of HBV; however, the Company may select up to six compounds which will maintain exclusivity with respect to all therapeutic and prophylactic uses. With respect to all other compounds that are enabled by the licensed patents, those which are jointly invented by the Company and Emory or inventors in the Schinazi laboratory, or which are disclosed in a specified licensed patent, are licensed to the Company exclusively including as to Emory; whereas all other such compounds are licensed to the Company non-exclusively. Under the terms of the Emory License Agreement, the Company is obligated to use commercially reasonable efforts to bring licensed products to market in accordance with a mutually agreed upon development plan. Unless terminated earlier by either party in accordance with the provisions thereof, the Emory License Agreement shall continue until the expiration of the last–to-expire of the patents licensed to the Company thereunder.

In June 2020, the Company amended the license agreement with Emory. Pursuant to the amended license agreement, Emory granted the Company additional patent rights to certain compounds targeting the treatment or prevention of HBV. As consideration for the additional rights, the Company made a one-time, non-refundable payment to Emory in the amount of $0.2 million, with an additional obligation to pay up to a maximum of $35,000. On the same date, the Company entered into a collaboration agreement with Emory, with the initial research plan pertaining to the synthesis and evaluation of the compounds licensed through the additional patent rights granted in the amended license agreement. The research plan was set to terminate one year from the effective date of June 2020 but the Company exercised its option to extend it for a second year. In June 2022, the research plan terminated. In connection with the research plan, the Company will provide Emory funding up to $0.3 million per year.

The Company has agreed to pay Emory up to an aggregate of $125.0 million upon the achievement of specified development, regulatory, and commercial milestones, and all ongoing patent costs. During the twelve months ended December 31, 2023 and 2022, the Company had no expenses related to milestone payments. The Company also agreed to pay Emory tiered single-digit royalties on worldwide annual net sales of licensed products, on a quarterly basis and calculated on a product-by-product basis. With respect to licensed products containing any of a specified subset of the licensed compounds, such royalties range from a mid-single digit to a high-single digit percentage rate. With respect to licensed products which do not contain such compounds, the royalties span a range

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of percentage rates within the mid-single digits if a Phase 1 clinical trial is initiated for the product within three years of the effective date of the Emory License Agreement, and range from a low-single digit to a mid-single digit rate if a Phase 1 clinical trial is initiated more than three years after the effective date. During the twelve months ended December 31, 2023 and 2022, the Company made no payments associated with royalties but did recognize general expenses of $0.4 million and $0.2 million, respectively.

Agreement with Luxna Biotech Co., Ltd. (Luxna)

On December 19, 2018, the Company entered into a license agreement with Luxna, pursuant to which Luxna granted the Company an exclusive, worldwide, sublicensable license under certain of Luxna's intellectual property rights to research, develop make, have made and commercialize for all therapeutic and prophylactic uses, (i) products containing oligonucleotides targeting the hepatitis B virus genome, (ii) products containing certain oligonucleotides targeting up to three genes which contribute to MASH, which the Company may select at any time during the first eight years of the term, to the extent not licensed to a third party, and (iii) products containing oligonucleotides targeting up to three genes which contribute to hepatocellular carcinoma, which the Company may select at any time during the first three years of the term, which expired in December 2021. As consideration for this agreement, the Company paid an upfront license fee of $0.6 million.

In April 2020, the Company amended the license agreement with Luxna. Pursuant to the amended license agreement, Luxna granted the Company an exclusive, worldwide license under the licensed patents to research, develop, make, have made and commercialize products containing oligonucleotides targeting three families of viruses: Orthomyxoviridae, Paramyxoviridae, and Coronaviridae (a family which includes SARS-CoV-2). As consideration for the amended license agreement, the Company paid Luxna a one-time non-refundable fee of $0.2 million in April 2020.

The Company is obligated to make payments to Luxna, in aggregate, totaling up to but no more than $55.5 million upon the achievement of specified development, regulatory, and commercial milestones. During the twelve months ended

December 31, 2023 and 2022, the Company recognized no expenses related to milestone payments. The Company is also required to pay Luxna a low-single digit royalty percentage on net sale of applicable products, if any. During the twelve months ended December 31, 2023 and 2022, the Company made no payments associated with royalties.

Agreement with Katholieke Universiteit Leuven (KU Leuven)

On June 25, 2020, the Company entered into a Research, Licensing and Commercialization Agreement (KU Leuven Agreement) with KU Leuven, under which the Company is collaborating with KU Leuven's Rega Institute for Medical Research, as well as its CD3, to research and develop potential protease inhibitors for the treatment, diagnosis or prevention of coronaviruses, including of SARS-CoV-2. Unless terminated earlier by either party in accordance with provisions in the agreement, the collaboration period will terminate at the earlier of completion of all collaboration activities or 2.5 years. In connection with the KU Leuven Agreement, KU Leuven and the Company granted each other exclusive cross-licenses to use certain know-how and existing patents of the other party as well as certain joint know-how and joint patents to carry out research and development collaboration activities during the collaboration period. As of December 2022, the original collaboration period has expired. An amendment to the agreement was agreed in July 2023 to include a new collaboration plan. KU Leuven granted to the Company an exclusive (including as to KU Leuven), worldwide license under certain of KU Leuven's know-how and existing patents, and certain joint patents and joint know-how, to manufacture and commercialize the licensed products for the treatment, diagnosis or detection of viral infections in humans. KU Leuven reserved the right to use all KU Leuven knowhow, existing KU Leuven patents, joint patents and joint know-how for academic and non-commercial research and teaching purposes. As consideration for this license, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to but no more than $30.0 million upon the achievement of certain commercial sales milestones. For each licensed product developed through KU Leuven and the Company's collaborative effort, the Company is obligated to make payments to KU Leuven, in aggregate, totaling up to $32.0 million upon the achievement of certain development and regulatory milestones. The Company is also required to pay KU Leuven a low-to-mid-single digit royalty percentage, subject to certain adjustments, on net sales of applicable products, if any. The Company is also required to pay a share of upfront transaction consideration received to KU Leuven should the program be partnered with an external party. Unless terminated earlier by either party, the agreement shall continue until the expiration of the last to expire royalty term, which is the later of the expiration or termination of the last valid patent claim covering the manufacture, use, sale or importation of the licensed product in a particular country or 10 years after the first commercial sale of a licensed product. During the

year ended December 31, 2023, we recognized and paid $2.0 million related to milestone payments due to the first dosing of the first patient in a Phase 1 clinical trial. No milestone payments were made in the year ended December 31, 2022, .

During the twelve months ended December 31, 2023 and 2021, 2022, the Company recognized $13.9 9.3 million and $4.4 13.9 million in revenue from collaborative arrangements related to upfront payments. During the years twelve months ended December 31, 2022, December 31, 2023 and 2021, 2022, the Company recognized no revenue from collaborative arrangements related to milestone payments. The unrecognized portion of the upfront payments received during the years twelve months ended December 31, 2022 December 31, 2023 and 2021 2022 is recorded on the consolidated balance sheets Consolidated Balance Sheets as “Deferred revenue from collaborations”.

Changes in deferred revenue balances arose as a result of the Company recognizing the following revenue from collaborative arrangements during the periods below (in thousands):

	Year Ended December 31,	
	2022	2021
Deferred revenue from collaborations as of January 1	$ 7,641	$ 12,000
Consideration received in the year	$ 15,000	$ —
Revenue from collaborations recognized in the year	$ (13,898)	$ (4,359)
Deferred revenue from collaborations as of December 31	$ 8,743	$ 7,641

	As of December 31,	
	2023	2022
Deferred revenue from collaborations as of January 1	$ 8,743	$ 7,641
Consideration received in the period	$ 679	$ 15,009
Revenue from collaborations recognized in the period	$ (9,338)	$ (13,907)
Deferred revenue from collaborations as of December 31	$ 84	$ 8,743

11. 12. Revenue from contracts with customers

Agreement with ADCT

The Company determined that the ADC Therapeutics (ADCT) agreement falls within the scope of ASC 606. The agreement did not fall under the ASC 808 guidance due to ADCT and the Company not being joint active participants, nor both parties having significant risks and rewards. Management of the Company determined that there was one performance obligation for the agreements given the deliverables are not distinct. The Company evaluated the performance obligation and determined

the performance obligations are satisfied over time. Given the nature of the arrangement, the Company believes that the satisfaction of its performance obligations is best measured by the progress of its efforts. As such, the Company has used an input method based on costs incurred to recognize revenue associated with the upfront payments, and the Company recognizes revenue over time based on the costs incurred. The effect of any updates to the estimated overall costs are recorded as a change in estimate. In addition, variable consideration (e.g., milestone payments) were evaluated based on the Company's analysis that the possibility of achieving any of the milestone payments is remote, and therefore determined to be constrained and excluded from the transaction price. Similarly, the Company accounts for the future royalties under the sales-based royalty exception in ASC 606-10-55-65 through 55-65B therefore they are not considered in the transaction price and expected to be recognized when future sales occur since that is expected to occur after the performance obligation has been fully satisfied.

Agreement with Amoytop

In May 2023, the Company and Amoytop Biotech Co., Ltd (Amoytop) entered into an exclusive Development Agreement and Research Collaboration Agreement with a focus on nucleic acid technology for HBV treatment, with the Company granting to Amoytop an exclusive option to enter into an exclusive license to develop and commercialize such compounds. Under the terms of the agreement, the Company received an upfront paymentof $7.0 million, less withholding taxes of $1.1 millionfrom Amoytop. With respect to the agreement, the Company will be eligible for up to $109.0 million in development and commercialization milestones as well as tiered royalties on net sales.These potential payments consist of (i) potential development milestones (such as for the commencement of a Good Laboratory Practice toxicology study for a collaboration compound, approval of IND by regulatory authority, initiation of Phase 2 and 3 clinical trials, and regulatory approval of a licensed product), and (ii) sales-based milestones.

The Company determined that the Amoytop agreement falls within the scope of ASC 606. The agreement did not fall under the ASC 808 guidance due to Amoytop and the Company not being joint active participants, and both parties not having significant risks and rewards. Management of the Company determined that there were three performance obligations for the agreement given the deliverables are distinct. The Company evaluated the standalone selling price for each obligation based on available data for similar arrangements. The Company evaluated the performance obligations and determined the provision of R&D services for the collaboration compound performance obligation will be satisfied over time, the research license including data and know-how has been satisfied, and the provision of materials will be satisfied upon delivery. Given the nature of the arrangement, the Company believes that the satisfaction of its performance obligations is best measured by the progress of its efforts as it relates to the performance of the R&D services. As such, the Company has used an input method based on costs incurred to recognize revenue associated with the upfront payments, and the Company recognizes

revenue over time based on the costs incurred. The effect of any updates to the estimated overall costs are recorded as a change in estimate. In addition, variable consideration (e.g., milestone payments) were evaluated based on the Company's analysis that the possibility of achieving any of the milestone payments is remote, and therefore determined to be constrained and excluded from the transaction price. Similarly, the Company accounts for the future royalties under the sales-based royalty exception in ASC 606-10-55-65 through 55-65B therefore they are not considered in the transaction price and expected to be recognized when future sales occur since that is expected to occur after the performance obligation has been fully satisfied.

During the twelve months ended December 31, 2023, the Company recognized $6.2 million in revenue from customers related to upfront payments. There was no revenue recognized from customers in the twelve months ended December 31, 2022. During the twelve months ended December 31, 2023 and 2022, the Company recognized no revenue from customers related to milestone payments. The unrecognized portion of the upfront payments received during the twelve months ended December 31, 2023 and 2022 is recorded on the Consolidated Balance Sheets as "Deferred revenue from customers".

Changes in deferred revenue balances arose as a result of the Company recognizing the following revenue from customers during the periods below (in thousands):

	As of December 31,	
	2023	2022
Deferred revenue from customers as of January 1	$ 700	$ —
Consideration received in the period	$ 6,715	$ 700
Revenue from customers recognized in the period	$ (6,191)	$ —
Deferred revenue from customers as of December 31	$ 1,224	$ 700

13. Income taxes

The components of the current provision for income taxes were as follows for the years ended December 31, 2022 December 31, 2023 and 2021:2022:

(in thousands)	2022	2021		
			2023	2022

Current:				
State	$ —	$ —	$ -	$ -
Federal	—	—	-	-
Foreign	106	143	795	106
Total current provision for income taxes	$ 106	$ 143	$ 795	$ 106
Deferred:				
State	$ —	$ —	$ -	$ -
Federal	—	—	-	-
Foreign	—	—	-	-
Total deferred provision for income taxes	$ —	$ —	$ -	$ -

The Company did not have any deferred provision for income taxes for the years ended December 31, 2022 December 31, 2023 and 2021.2022.

A reconciliation of the expected income tax (benefit) computed using the federal statutory income tax rate to the Company's effective income tax rate is as follows for the years ended December 31, 2022 December 31, 2023 and 2021:2022:

			2023	2022
	2022	2021		
Income tax computed at federal statutory rate	21.00 %	21.00 %	21.00%	21.00%
State taxes, net of federal benefit	6.95 %	6.91 %	6.71%	6.95%
R&D credit carryovers	1.25 %	0.90 %	6.35%	1.25%
Change in valuation allowance	-26.32 %	-27.42 %	86.68%	-26.32%
Stock based compensation	-1.08 %	-1.19 %	-2.30%	-1.08%
Permanent differences	-1.91 %	-0.31 %	-0.63%	-1.91%
Change in fair value of derivatives	0.00 %	0.00 %		
Section 382 limitation			-117.98%	0.00%
Foreign tax			-0.76%	0.00%
Effective income tax rate	-0.11 %	-0.11 %	-0.93%	-0.11%

The components of the deferred tax assets and liabilities were as follows at December 31:

(in thousands)	2022	2021
Deferred tax assets:		

Net operating loss carryforward	$ 82,775	$ 72,425
Operating lease liabilities	4,057	4,622
Tax credits	8,025	6,177
Other accruals and reserves	1,398	1,461
Stock-based compensation	2,055	1,216
Deferred revenue	27	2,140
Capitalized SEC 174 costs	14,138	—
Other	253	22
	112,728	88,063
Valuation allowance	(109,560)	(84,288)
Net deferred tax assets	$ 3,168	$ 3,775
Deferred tax liabilities:		
Right of use assets	$ (2,803)	$ (3,205)
Stock-based compensation	—	—
Property and equipment	(365)	(570)
Total deferred tax liabilities	$ (3,168)	$ (3,775)
Total deferred income taxes	$ —	$ —

	2023	2022
Deferred tax assets:		
Net operating loss carryforward	$ 3,491	$ 82,775
Operating lease liabilities	3,280	4,057
Tax credits	941	8,025
Other accruals and reserves	1,622	1,398
Stock-based compensation	2,714	2,055
Deferred revenue	24	27

Capitalized Sec 174 costs	23,962	14,138
Other	577	253
	36,611	112,728
Valuation allowance	(34,235)	(109,560)
Net deferred tax assets	$ 2,376	$ 3,168
Deferred tax liabilities:		
Right of use assets	(2,078)	(2,803)
Stock-based compensation	-	-
Property and equipment	(298)	(365)
Total deferred tax liabilities	$ (2,376)	$ (3,168)
Total deferred income taxes	$ -	$ -

Management believes that, based on a number of factors, including the Company's historical operating performance and accumulated deficit, it is more likely than not that the deferred tax assets will not be utilized, such that a full valuation allowance has been recorded against the Company's deferred tax assets. In assessing the reliability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized on a jurisdiction by jurisdiction basis. 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. The valuation allowance decreased by $75.3 million during the year ended December 31, 2023, and increased by $25.3 million and $35.2 million during the years year ended December 31, 2022 and 2021, respectively..

As of December 31, 2022 December 31, 2023, the Company had $272.4 3.7 million of federal and $352.7 12.7 million of state net operating loss (NOL) carryforwards available to offset future taxable income. The Company's federal NOL carryforwards can be carried forward indefinitely while state NOL carryforwards, if not utilized, will begin expiring in 2038 2043. As of December 31, 2022, the Company had $3.2 million of Australia NOL carryforwards, which carryforward indefinitely. As of December 31, 2022 December 31, 2023, the Company had research and development credit carryforwards of $7.9 0.2 million and $3.9 0.2 million available to reduce future taxable income, if any, for federal and state income tax purposes, respectively. If not utilized, the federal credit carryforwards will begin expiring in 2038 2043. The California credit carryforwards have no expiration date. The Company had $6.0 million of Australian NOL carryforwards and $0.7 million of Australian research and development tax credit carryforwards available. The Australian NOL and research and development tax credits have no expiration date.

Under Sections 382 and 383 of the Code, and corresponding provisions of state law, if a corporation undergoes an "ownership change" (generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a rolling three-year period), the Company's ability to use its pre-change NOL carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We The Company performed a Code Section 382 analysis in 2021 2023 and

determined there was an ownership change that resulted in Section 382 limitations. The As of the ownership change, limited our ability to utilize NOLs against future taxable income but will not result in the expiration $288.6 million and $407.1 million of any NOLs. federal and state net operating losses, respectively, and $9.7 million and $4.8 million of research and development credit carryforwards were written off

We may in the future experience additional ownership changes as a result of changes subsequent shifts in our stock ownership, (some some of which are not may be outside of our control. In the future, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards or other tax attributes to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us and could adversely affect our control). business, results of operations, and cash flows. In addition, under current tax law, federal NOL carryforwards

generated in periods after December 31, 2017, may be carried forward indefinitely but, in taxable years beginning after December 31, 2020, may only be used to offset 80% of our taxable income. For these reasons, our ability to utilize our NOL carryforwards and other tax attributes to reduce future tax liabilities may be limited.

The Company adopted the provisions of FASB Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*, upon the date of incorporation. ASC 740-10 prescribes a comprehensive model for the recognition, measurement, presentation and disclosure in financial statements of any uncertain tax positions that have been taken or expected to be taken on a tax return. It is the Company's policy to include penalties and interest expense related to income taxes as a component of other expense and interest expense, respectively, as necessary. During the years ended December 31, 2022 December 31, 2023 and 2021, 2022, the Company had not recognized any tax-related penalties or interest. No liability related to uncertain tax positions is recorded on the financial statements related to uncertain tax positions.

(in thousands)	2022	2021
Balance, beginning of the period	$ 2,441	$ 1,536
Increase related to prior year positions	687	63
Increase / (decrease) related to current year positions	(28)	842
Balance, ending of the period	$ 3,100	$ 2,441

	2023	2022

Balance, beginning of the period	$	3,100	$	2,441
(Decrease) Increase related to prior year positions		(3,100)		687
Increase (Decrease) related to current year positions		99		(28)
Balance, end of the period	$	99	$	3,100

The Company does not expect that its uncertain tax positions will materially change in the next twelve months. The reversal of the uncertain tax benefits would not impact the Company's effective tax rate as the Company continues to maintain a full valuation allowance against its deferred tax assets.

The Company files income tax returns in the United States, including California and other states, Texas, Australia, Belgium, and China. The Company is not currently under examination by income tax authorities in federal, state or other jurisdictions. All income tax returns will remain open for examination by the federal, state and foreign authorities for three or four years, from the date of utilization of any NOLs or credits.

In January 2018, the FASB released guidance on the accounting for tax on the global intangible low-taxed income (GILTI) provisions of the Tax Cuts and Jobs Act of 2017. The GILTI provisions impose a tax on foreign

income in excess of a deemed return on tangible assets of foreign corporations. The guidance allows companies to make an accounting policy election to either (i) account for GILTI as a component of tax expense in the period in which they are subject to the rules (the period cost method), or (ii) account for GILTI in the Company's measurement of deferred taxes (the deferred method). After completing the analysis of the GILTI provisions, the Company elected to account for GILTI using the period cost method.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was signed into law. The CARES Act includes provisions relating to refundable payroll tax credits, deferment of the employer portion of certain payroll taxes, NOL carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. The Company analyzed the provisions of the CARES Act and determined there was no significant impact to its income taxes for the year ended December 31, 2022.

On June 29, 2020, the California Governor signed into law Assembly Bill 85 (A.B. 85). A.B. 85, which includes several tax measures, provides for a three-year suspension of the use of NOLs for medium and large businesses and a three-year cap on the use of business incentive tax credits to offset no more than $5 million of tax per year. Generally, A.B. 85 suspends the use of NOLs for taxable years 2020, 2021, and 2022 for taxpayers with taxable income of $1 million or more. Since the Company did not generate California source taxable income of more than $1 million in taxable years 2020, 2021 or 2022, no impact resulted.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the CAA) was signed into law. The CAA includes provisions meant to clarify and modify certain items put forth in the CARES Act, while providing aid to businesses affected by the pandemic. The CAA allows deductions for expenses paid for by the Paycheck Protection Program and Economic Injury Disaster Loan (EIDL) Program, clarifies forgiveness of EIDL advances, and includes other business provisions. The Company analyzed the provisions of the CAA and determined there was no significant impact to its 2022 tax provision.

12. 14. Commitments and contingencies

From time to time, the Company may have certain contingent liabilities, including legal matters that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. The Company had no contingent Contingent liabilities requiring accrual were appropriately accrued as of December 31, 2022 December 31, 2023 and 2021. December 31, 2022. The Company enters into contracts in the normal course of business that includes arrangements with clinical research organizations, vendors for preclinical research and vendors for manufacturing. These agreements generally allow for cancellation with notice. As of December 31, 2022 December 31, 2023, the Company had no material non-cancellable purchase commitments.

On March 26, 2022, the Company received notice of a complaint (the Complaint) filed by Janssen Biopharma, LLC (Janssen), which generally concerned an alleged breach by certain of our employees of their obligations to Janssen as prior employees of Janssen by purporting to assign to Aligos various inventions allegedly owned by Janssen. The Complaint was filed on March 9, 2022 in the Superior Court of the State of California, County of San Mateo, against the Company, Lawrence M. Blatt, Chairman, Chief Executive Officer and Director of the Company, and Leonid Beigelman, the former President and a former Director of the Company. The Complaint alleges alleged breach of contract by Lawrence M. Blatt and Leonid Beigelman and tortious interference with contract by the Company and seeks

sought declaratory judgment of ownership of certain intellectual property by the Company, among other claims. The Complaint states stated that Janssen is was seeking injunctive relief, assignment of certain intellectual property from us the Company to Janssen and monetary damages. The Company believes the allegations in the Complaint are without merit and intends to continue to defend itself vigorously.

On August 4, 2022, the Company filed counterclaims against Janssen alleging Janssen had engaged in unfair competition and promissory fraud, and on August 22, 2022, the Company filed its response to the Complaint Complaint.

On October 16, 2023, the Company entered into a settlement agreement with Janssen that provided for the resolution of the action brought by Janssen alleging breach of contract by Lawrence M. Blatt, and on August 4, 2022, filed Leonid Beigelman, and tortious interference with contract by the Company and seeking declaratory judgment of ownership of certain intellectual property by the Company, among other claims. Pursuant to the settlement agreement, Janssen agreed to dismiss the action and released the Company, Dr. Blatt and Dr. Beigelman from the claims alleged. In addition, pursuant to the Settlement Agreement, the Company agreed to dismiss the counterclaims against Janssen alleging Janssen has engaged in unfair competition and promissory fraud. fraud and released Janssen from the alleged counterclaims.

13. 15. Benefit plans

Defined contribution plans

The Company established a defined contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. The Company made matching

contributions of $0.9 0.8 million and $0.7 0.9 million to the plan during the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Defined benefit plans—regular pension plan

ASC Topic 715, *Compensation—Retirement Benefits*, requires an employer to: (a) recognize in its statement of financial position an asset for a plan's overfunded status or a liability for a plan's under-funded status; (b) measure a plan's assets and its obligations that determine its funded status as of the end of the employer's fiscal year; and (c) recognize changes in the funded status of a defined benefit post retirement plan in the year in which the changes occur. Accordingly, the Company is required to report changes in its funded status on its consolidated statement Consolidated Statement of stockholders' deficit Changes in Stockholders' Equity and consolidated statement Consolidated Statement of operations Operations and comprehensive loss.Comprehensive Loss.

Aligos-Belgium offers its employees a regular pension plan in the form of a defined contribution plan (the Regular Pension Plan), which contains a 1.75% legally required minimum rate of return for the participants. The Regular Pension Plan does not meet all the requirements that are needed for recognition of the plans as a defined contribution plan. The Company therefore recognizes the Regular Pension Plan as a defined benefit plan.

The Company measures the fair value of the Regular Plan assets by using Level 3 inputs, unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of assets, including pricing models, discounted cash flow methodologies and similar techniques.

The net periodic benefit cost of the Pension Plan was $0.3 0.2 million and $0.2 0.3 million, and is recognized in accrued liabilities on the consolidated balance sheet Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. As of December 31, 2023, the projected benefit obligation was $1.2 million, the plan assets were $1.2 million and the net pension liability was $0.1 million. As of December 31, 2022, the projected benefit obligation was $1.1

million, the plan assets were $1.0 million, and the net pension liability was $0.1 million. As of December 31, 2021, the projected benefit obligation was $1.0 million, the plan assets were $0.9 million, and the net pension liability was $0.1 million. The Company has recorded the unfunded amount as a liability in its consolidated balance sheet Consolidated Balance Sheets at December 31, 2022 December 31, 2023 and 2021, 2022, under the accrued liabilities caption. The unrealized actuarial gain and loss on pension benefits, net of tax, at December 31, 2022 December 31, 2023 and 2021 2022 was $0.1 40.0 million thousand and $0.1 101.0 million, thousand, respectively. These amounts were reflected in other comprehensive loss under the caption gain (loss) on pension plans. The Company expects to make contributions to the Pension Plan of approximately $0.2 0.1 million during 2023. 2024. The Company estimates future benefit payments from 2024 2025 to 2027 2028 to be $0.3 million, and from 2028 2029 thereafter to be $0.9 0.8 million.

Defined benefit plans—Top Hat Plan

In Aligos-Belgium, the Company established a pension bonus complementary plan (the Top Hat Plan), where the bonus payments to each participant are added to the Top Hat Plan. The annual contributions to this plan are based on performance and determined on a discretionary basis by the Company. The Top Hat Plan contains a legal yield guarantee of 1.75%. The Top Hat Plan became effective as of January 1, 2019.

In 2019, the Company accounted for the Top Hat Plan in accordance with ASC 715—*Compensation—Retirement Benefits*, once it became effective. The Top Hat Plan does not meet all the requirements that are needed for recognition as a defined contribution plan. The Company therefore recognizes the Top Hat Plan as a defined benefit plan.

The net periodic benefit cost of the Top Hat Plan was $0.2 million and $0.4 0.2 million, and is recognized in accrued liabilities on the consolidated balance sheet Consolidated Balance Sheets as of December 31, 2022 December 31, 2023 and 2021, 2022, respectively. As of December 31, 2023, the projected benefit obligation was $2.0 million, the plan assets were $1.8 million and the net pension liability was $0.2 million. As of December 31, 2022, the projected benefit obligation was $1.7 million, the plan assets were $1.5 million, and the net pension liability was $0.2 million. As of December 31, 2021, the projected benefit obligation was $1.7 million, the plan assets were $1.2 million, and the net pension liability was $0.5 million. The Company has recorded the unfunded amount as a liability in its consolidated balance sheet Consolidated Balance Sheets at December 31, 2022 December 31, 2023 and 2021, 2022, under the accrued liabilities caption. The unrealized actuarial gain and loss on pension benefits, net of tax, at December 31, 2022 December 31, 2023 and 2021 2022 was $0.1 3.0 million thousand and $0.5 60.0 million, thousand, respectively. These amounts were reflected in other comprehensive loss under the caption gain (loss) on pension plans. The Company expects to make contributions to the Pension Plan of

approximately $0.2 million during 2023. 2024. The Company estimates future benefit payments from 2024 2025 to 2027 2028 to be $0.2 0.5 million, and from 2028 2029 thereafter to be $0.6 1.1 million.

14. 16. Net loss per share

The following table summarizes the computation of basic and diluted net loss per share of the Company:

	Year Ended December 31,	
	2022	2021
Net loss	$ (96,046)	$ (128,332)
Weighted average common stock outstanding, basic and diluted	42,695,227	39,855,403
Net loss per share – basic and diluted	$ (2.25)	$ (3.22)

	Year Ended December 31,	
	2023	2022
Net loss	$ (87,679)	$ (96,046)
Weighted average common stock outstanding, basic and diluted	64,260,588	42,695,227
Net loss per share - basic and diluted	$ (1.36)	$ (2.25)

The Company's potentially dilutive securities, which include options to purchase common stock, and unvested restricted stock and warrants to purchase common stock, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of shares of Common Stock outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potential shares of Common Stock, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share for the periods indicated because including them would have had an anti-dilutive effect:

	Year Ended December 31,		Year Ended December 31,	
	2022	2021	2023	2022
Options to purchase common stock	9,840,127	5,692,514	10,376,838	9,840,127
Unvested restricted stock	—	89,054	134,120	-

Warrants to purchase common stock			56,241,973	-
	9,840,127	5,781,568	66,752,931	9,840,127

17. Subsequent events

Strategic reprioritization of NASH and COVID-19 programs and overall workforce reduction ***Option Exchange***

On February 8, 2023, In January 2024, the Company announced commenced a portfolio reprioritization stock option exchange program (the "Exchange Offer") pursuant to prioritize its clinical NASH (ALG-055009) which eligible employees were provided the opportunity to exchange eligible stock options for a number of new replacement option grants at the exchange ratio of 1 replacement option for every 1.4 eligible options tendered for those priced between $2.10 to $11.85, and COVID-19 (ALG-097558) programs 1 replacement option for every 3.4 eligible options tendered for those priced over $11.86. The Exchange Offer was concluded in February 2024.

In connection with the Exchange Offer, the Company canceled 3,880,332 eligible options and granted 1,906,153 replacement options. The exchange of these options was accounted for as a modification of share-based compensation awards. Accordingly, the Company will recognize the unamortized compensation cost related to the canceled options as well as maintaining its ongoing NASH oligonucleotide research collaboration the incremental compensation cost associated with Merck. This was accompanied by a workforce reduction of approximately the replacement options over their 10one year%. The Company expects to record a one-time charge of approximately $1.0 million related to the reprioritization in the first quarter of 2023.vesting term.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of disclosure controls and procedures

Our management has evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, our principal executive officer and principal financial officer, respectively, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Annual Report on Form 10-K. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures have been designed to provide reasonable assurance of achieving their objectives. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2022 December 31, 2023, our disclosure controls and procedures were effective at the reasonable assurance level.

Management's annual report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of our internal control over financial reporting based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 framework). Based on our evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2022 December 31, 2023.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2022 December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

As a result of the COVID-19 pandemic, in March 2020, substantially all of our employees began working remotely. We have not identified any material changes in our internal control over financial reporting as a result of these changes to the working environment, in part because our internal control over financial reporting was designed to operate in a remote working environment. We are continually monitoring and assessing the COVID-19 situation to determine any potential impacts on the design and operating effectiveness of our internal controls over financial reporting.

Inherent limitation on the effectiveness over financial reporting

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business but cannot assure you that such improvements will be sufficient to provide us with effective internal control over financial reporting.

Item 9B. Other Information.

The information set forth below is included herein for the purpose of providing the disclosure required under “Item 5.02 - Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.” of Form 8-K.

None.On March 11, 2024, the Board of Directors appointed Lawrence M. Blatt, Ph.D., age 62, as President of the Company, effective immediately. Dr. Blatt retains his position and responsibilities as Chief Executive Officer and Director of the Company.

Dr. Blatt has served as our Chief Executive Officer and a member of our Board of Directors since February 2018. Prior to co-founding the Company, Dr. Blatt served as the Global Head of Infectious Diseases and Vaccines at Janssen Pharmaceutical Companies of Johnson & Johnson, a pharmaceutical company, from November 2014 to February 2018. Dr. Blatt co-founded Alias BioPharma, Inc., a biotechnology company, and served as its Chief Executive Officer, President and Director from January 2009 until its acquisition by Janssen Pharmaceutical Companies of Johnson & Johnson in November 2014. Prior to Alias, he served as Chief Scientific Officer at InterMune, Inc., a biotechnology company, from 2002 to 2008. Dr. Blatt previously served on the board of directors of ReViral Ltd. and Alveo Technologies, Inc., which he co-founded in 2014, and Meissa Vaccines, Inc. Dr. Blatt received a B.S. in Microbiology from Indiana University Bloomington, an M.B.A. from California State University, Northridge, and a Ph.D. in Public Health Administration from the University of La Verne.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

We have adopted a code of ethics for directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Code of Business Conduct and Ethics. This code is publicly available on our website at investor.aligos.com under the Governance section. If we make any amendments to this code other than technical, administrative or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of this code we will disclose the nature of the amendment or waiver, its effective date and to whom it applies on our website at aligos.com or in a Current Report on Form 8-K filed with the SEC.

The remaining information required by this item, including information about our Directors, Executive Officers and Audit Committee, is incorporated by reference to the definitive Proxy Statement for our 2023 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after December 31, 2022 December 31, 2023.

Item 11. Executive Compensation.

The information required by this Item will be set forth in the section headed “Executive Compensation” in our Proxy Statement and is incorporated in this Annual Report by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item will be set forth in the section headed “Security Ownership of Certain Beneficial Owners and Management” in our Proxy Statement and is incorporated in this Annual Report by reference.

Information regarding our equity compensation plans will be set forth in the section headed “Executive Compensation” in our Proxy Statement and is incorporated in this Annual Report by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be set forth in the section headed “Transactions with Related Persons” in our Proxy Statement and is incorporated in this Annual Report by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this Item will be set forth in the section headed "—Ratification of Selection of Independent Registered Public Accounting Firm" in our Proxy Statement and is incorporated in this Annual Report by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) Documents filed as a part of this Annual Report on Form 10-K:

1. Financial Statements

The following financial statements are included in Part II, Item 8 of this Annual Report on Form 10-K:

2. All other schedules have been omitted because they are not required, not applicable, or the required information is otherwise included.

3. The exhibits listed in the Exhibit Index below are filed or incorporated by reference as part of this Annual Report.

Item 16. Form 10-K Summary.

None.

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Amended and Restated Certificate of Incorporation.	8-K	10/20/2020	3.1	
3.2	Amended and Restated Bylaws.	8-K	10/20/2020	3.2	
4.1	Reference is made to Exhibits 3.1 and 3.2.				
4.2	Form of Common Stock Certificate.	S-1/A	10/9/2020	4.2	
4.3	Description of Securities.	10-K	3/23/2021	4.3	
10.1(a)†	Aligos Therapeutics/Emory University License Agreement by and between Aligos Therapeutics, Inc. and Emory University, dated June 26, 2018.	S-1	9/25/2020	10.1(a)	
10.1(b)†	First Amendment to License Agreement by and between Aligos Therapeutics, Inc. and Emory University, dated June 18, 2020.	S-1	9/25/2020	10.1(b)	
10.2(a)†	License Agreement by and between Aligos Therapeutics, Inc. and Luxna Biotech Co., Ltd., dated December 19, 2018.	S-1	9/25/2020	10.2(a)	
10.2(b)†	Amendment to License Agreement by and between Aligos Therapeutics, Inc. and Luxna Biotech Co., Ltd., dated April 8, 2020.	S-1	9/25/2020	10.2(b)	
10.3	Lease between Aligos Therapeutics, Inc. and Britannia Biotech Gateway Limited Partnership, dated June 21, 2018.	S-1	9/25/2020	10.3	
10.4	Amended and Restated Investors' Rights Agreement dated October 9, 2020.	S-1/A	10/9/2020	10.4	
10.5(a)#	2018 Equity Incentive Plan, as amended.	S-1	9/25/2020	10.5(a)	

10.5(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under 2018 Equity Incentive Plan, as amended.	S-1	9/25/2020	10.5(b)
10.5(c)#	Form of Early Exercise Stock Option Grant Notice and Stock Option Agreement under 2018 Equity Incentive Plan, as amended.	S-1	9/25/2020	10.5(c)
10.5(d)#	Form of International Stock Option Grant Notice and Stock Option Agreement under 2018 Equity Incentive Plan, as amended.	S-1	9/25/2020	10.5(d)
10.6(a)#	2020 Incentive Award Plan.	S-1/A	10/9/2020	10.6(a)
10.6(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2020 Incentive Award Plan.	S-1/A	10/9/2020	10.6(b)
10.6(c)#	Form of Restricted Stock Award Agreement under the 2020 Incentive Award Plan.	S-1/A	10/9/2020	10.6(c)
10.6(d)#	Form of Restricted Stock Unit Award Grant Notice under the 2020 Incentive Award Plan.	S-1/A	10/9/2020	10.6(d)
10.7#	2020 Employee Stock Purchase Plan.	S-1/A	10/9/2020	10.7
10.8#	Confirmatory Employment Letter by and between Aligos Therapeutics, Inc. and Lucinda Quan, J.D., dated May 14, 2019.	S-1/A	10/9/2020	10.10
10.9#	Non-Employee Director Compensation Program.	S-1/A	10/9/2020	10.11
10.10	Form of Indemnification Agreement for directors and officers.	S-1/A	10/9/2020	10.12
10.11#	Amended and Restated Employment Agreement, effective as of February 10, 2021, by and between the Company and Leonid Beigelman.	10-Q	5/10/2021	10.1

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Amended and Restated Certificate of Incorporation.	8-K	10/20/2020	3.1	
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4.2	Form of Common Stock Certificate.	S-1/A	10/9/2020	4.2	
4.3	Description of Securities.	10-K	3/23/2021	4.3	
4.4	Form of Pre-Funded Warrant	8-K	10/25/2023	4.1	
4.5	Form of Common Warrant	8-K	10/25/2023	4.2	

10.1(a)†	Aligos Therapeutics/Emory University License Agreement by and between Aligos Therapeutics, Inc. and Emory University, dated June 26, 2018.	S-1	9/25/2020	10.1(a)
10.1(b)†	First Amendment to License Agreement by and between Aligos Therapeutics, Inc. and Emory University, dated June 18, 2020.	S-1	9/25/2020	10.1(b)
10.2(a)†	License Agreement by and between Aligos Therapeutics, Inc. and Luxna Biotech Co., Ltd., dated December 19, 2018.	S-1	9/25/2020	10.2(a)
10.2(b)†	Amendment to License Agreement by and between Aligos Therapeutics, Inc. and Luxna Biotech Co., Ltd., dated April 8, 2020.	S-1	9/25/2020	10.2(b)
10.3	Lease between Aligos Therapeutics, Inc. and Britannia Biotech Gateway Limited Partnership, dated June 21, 2018.	S-1	9/25/2020	10.3
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10.7#	2020 Employee Stock Purchase Plan.	S-1/A	10/9/2020	10.7
10.8#	Form of Indemnification Agreement for directors and officers.	S-1/A	10/9/2020	10.12
10.9#	Amended and Restated Employment Agreement, effective as of February 10, 2021, by and between the Company and Leonid Beigelman, Ph.D.	10-Q	5/10/2021	10.1

10.10#	Amended and Restated Employment Agreement, effective as of February 10, 2021, by and between the Company and Lawrence M. Blatt, Ph.D.	10-Q	5/10/2021	10.2	

10.12#	Amended and Restated Employment Agreement, effective as of February 10, 2021, by and between the Company and Lawrence M. Blatt.	10-Q	5/10/2021	10.2	
10.13#	Employment Agreement by and between Aligos Therapeutics, Inc. and Julian Symons, D.Phil., effective as of May 14, 2019.	10-Q	5/10/2021	10.3	
10.14#	Form of Change in Control and Severance Agreement.	10-Q	5/10/2021	10.4	
10.16	Lease Agreement between 601 & 651 GATEWAY CENTER LP and ALIGOS THERAPEUTICS, INC., dated December 9, 2021	10-K	3/10/2022	10.16	
21.1	Subsidiaries of Registrant.				X
23.1	Consent of Independent Registered Public Accounting Firm.				X
24.1	Power of Attorney (included on signature page to this Form 10-K).				X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X

32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	Inline XBRL Instance Document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				X
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2022 has been formatted in Inline XBRL				X
10.11#	Employment Agreement by and between Aligos Therapeutics, Inc. and Julian Symons, D.Phil., effective as of May 14, 2019.	10-Q	5/10/2021	10.3	
10.12#	Form of Change in Control and Severance Agreement.	10-Q	5/10/2021	10.4	
10.13#	Lease Agreement between 601 & 651 GATEWAY CENTER LP and ALIGOS THERAPEUTICS, INC., dated December 9, 2021	10-K	3/10/2022	10.16	
10.14#	Non-Employee Director Compensation Program	10-Q	5/4/2023	4.3	
10.15#	Form of Securities Purchase Agreement, dated October 23, 2023, by and among the Company and the Purchasers.	8-K	10/25/2023	10.1	
10.16#	Amended and Restated Employment Agreement, effective as of December 1, 2020, by and between the Company and Matthew McClure				X
10.17#	Amended and Restated Employment Agreement, effective as of December 1, 2020, by and between the Company and Lesley Calhoun				X
10.18#	Separation and release agreement with Leonid Beigelman				X
21.1	Subsidiaries of Registrant.	10-K	3/9/2023	21.1	
23.1	Consent of Independent Registered Public Accounting Firm.				X
24.1	Power of Attorney (included on signature page to this Form 10-K).				X

31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
97.1	Policy relating to Recovery of Erroneously Awarded Compensation	X
101.INS	Inline XBRL Instance Document.	X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents	X
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2023 has been formatted in Inline XBRL.	X

† Portions of the exhibit, marked by brackets, have been omitted because the omitted information (i) is not material and (ii) is the type of information that the registrant both customarily and actually treats as private and confidential.

# Indicates management contract or compensatory plan.

* The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report on Form 10-K, are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Aligos Therapeutics, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

Aligos Therapeutics, Inc.

Date: March 9, 2023 March 12, 2024

By: /s/ Lawrence M. Blatt

Lawrence M. Blatt, Ph.D.

President, Chairman, and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Lawrence M. Blatt, Ph.D., and Lesley Ann Calhoun, and Lucinda Quan, J.D., and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him in any and all capacities, to sign any and all amendments to this annual report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Lawrence M. Blatt Lawrence M. Blatt, Ph.D.	President, Chief Executive Officer and Director *(Principal Executive Officer)*	March 9, 2023 12, 2024
/s/ Lesley Ann Calhoun Lesley Ann Calhoun	Executive Vice President, Chief Financial Officer *(Principal Financial and Accounting Officer)*	March 9, 2023 12, 2024
/s/ Leonid Beigelman Leonid Beigelman, Ph.D.	President and Director	March 9, 2023
/s/ K. Peter Hirth K. Peter Hirth, Ph.D.	Director	March 9, 2023 12, 2024
/s/ Jack B. Nielsen Jack B. Nielsen	Director	March 9, 2023 12, 2024
/s/ Carole Nuechterlein Carole Nuechterlein	Director	March 9, 2023 12, 2024
/s/ Thomas Woiwode Thomas Woiwode, Ph.D.	Director	March 9, 2023
/s/ James Scopa James Scopa	Director	March 9, 2023 12, 2024
/s/ Bridget Martell Bridget Martell, M.D.	Director	March 9, 2023 12, 2024

Exhibit 21.1 10.16

ALIGOS THERAPEUTICS, INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (the "**Agreement**") is made and entered into by and between Matthew McClure ("**Executive**") and Aligos Therapeutics, Inc. (the "**Company**"), effective as of December 1, 2020 (the "**EffectiveDate**").

Background

A. The Board of Directors of the Company (the "**Board**") recognizes that the possibility of an acquisition of the Company or an involuntary termination can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of such an event.

B. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue Executive's employment and to motivate Executive to maximize the value of the Company upon a Change in Control (as defined below) for the benefit of its stockholders.

C. The Board believes that it is imperative to provide Executive with severance benefits upon certain terminations of Executive's service to the Company that enhance Executive's financial security and provide incentive and encouragement to Executive to remain with the Company notwithstanding the possibility of such an event.

D. Unless otherwise defined herein, capitalized terms used in this Agreement are defined in Section 9 below.

Agreement

The parties hereto agree as follows:

1. Term of Agreement. This Agreement shall become effective as of the Effective Date and terminate upon the date that all obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and shall continue to be "at-will," as defined under applicable law. Except as provided in Section 5 below, if Executive's employment terminates for any reason, Executive shall not be entitled to any severance payments, benefits or compensation other than as provided in this Agreement.

3. Covered Termination Outside a Change in Control Period. If Executive experiences a Covered Termination outside a Change in Control Period, then, subject to (i) Executive delivering to the Company an executed general release of all claims against the Company and its affiliates in a form approved by the Company (a "**ReleaseofClaims**") that becomes effective and irrevocable in accordance with Section 14(a)(v) below following such Covered Termination and (ii) Executive's continued compliance with Section 12 below, then in addition to any accrued but unpaid salary, benefits, vacation and expense reimbursements through the Termination Date payable in accordance with applicable law, the Company shall provide Executive with the following:

(a) Severance. Executive shall be entitled to receive continued payment of Executive's annual base salary at the rate in effect immediately prior to the Termination Date during the period commencing on the Termination Date and ending on the nine (9)-month anniversary of the Termination Date (the "**Severance Period**"), payable in substantially equal installments in accordance with the Company's standard payoll policies, less applicable withholdings, with such installments to commence on the first payroll date following the date the Release of Claims becomes effective and irrevocable in accordance with Section 14(a)(v) below, with the first installment to include any amount that would have been paid had the Release of Claims been effective and irrevocable on the Termination Date.

(b) Continued Healthcare. If Executive timely elects to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company shall directly pay, or reimburse Executive for, the Company's portion of the premium (at the same rates in effect on the Termination Date) for Executive and Executive's covered dependents through the earlier of (i) the end of the Severance Period and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Internal Revenue Code of 1986, as amended, (the "**Code**") under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each

remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 3(b), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA. Executive shall notify the Company immediately if Executive becomes covered by a group health plan of a subsequent employer.

(c) Equity Awards. Each outstanding and unvested equity award (excluding any such awards that vest in whole or in part based on the attainment of performance-vesting conditions) held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse with respect to that number of shares that would have vested and, if applicable, become exercisable during the Severance Period had Executive's employment continued during such period, and each option held by Executive to purchase the Company's common stock that is vested as of the Termination Date (after giving effect to any

List

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applicable accelerated vesting) will remain exercisable until the earlier of Significant Subsidiaries the twelve (12) -month anniversary of the Termination Date or the original expiration of the option.

4. Covered Termination During a Change in Control Period. If Executive experiences a Covered Termination during a Change in Control Period, then, subject to (i) Executive delivering to the Company an executed Release of Claims that becomes effective and irrevocable in accordance with Section 14(a)(v) below following such Covered Termination and (ii) Executive's continued compliance with Section 12 below, then in addition to any accrued but unpaid salary, benefits, vacation and expense reimbursements through the Termination Date payable in accordance with applicable law, the Company shall provide Executive with the following:

(a) Severance. Executive shall be entitled to receive an amount equal to the sum of (x) Executive's annual base salary at the rate in effect immediately prior to the Termination Date and (y) Executive's target annual bonus assuming achievement of performance goals at one hundred percent (100%) of target, payable in a cash lump sum, less applicable withholdings, on the first payroll date

following the date the Release of Claims becomes effective and irrevocable in accordance with Section 14(a)(v) below.

(b) Continued Healthcare. If Executive timely elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the Company's portion of the premium (at the same rates in effect on the Termination Date) for Executive and Executive's covered dependents through the earlier of (i) the first anniversary of the Termination Date and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4(b), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA. Executive shall notify the Company immediately if Executive becomes covered by a group health plan of a subsequent employer.

(c) Equity Awards. Each outstanding and unvested equity award held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse with respect to one hundred percent (100%) of the shares subject thereto, as of immediately prior to the Termination Date, and each option held by Executive to purchase the Company's common stock that is vested as of the Termination Date (after giving effect to any applicable accelerated vesting) will remain exercisable until the earlier of the twelve (12)-month anniversary of the Termination Date or the original expiration of the option. Unless otherwise set forth in an applicable award agreement, for purposes of this Section 4(c) each award subject to performance-based vesting will be deemed earned at the greater of (i) target or (ii) actual achievement measured as of the Termination Date (to the extent then measurable).

5. Certain Reductions. Notwithstanding anything herein to the contrary, the Company shall reduce Executive's severance benefits under this Agreement, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company in connection with Executive's termination, including but not limited to payments or benefits pursuant to (a) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act, or (b) any other Company agreement, arrangement, policy or practice relating to Executive's termination of employment with the Company. The benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive's termination of employment. Such reductions shall be applied on a retroactive basis, with severance benefits paid first in time being recharacterized as payments pursuant to the Company's statutory obligation.

6. Deemed Resignation. Upon termination of Executive's service for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its affiliates, and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

7. Other Terminations. If Executive's employment with the Company terminates for any reason other than due to a Covered Termination, then Executive shall not be entitled to any benefits hereunder other than accrued but unpaid salary, vacation and expense reimbursements through the Termination Date in accordance with applicable law and to elect any continued healthcare coverage as may be required under COBRA or similar state law.

8. Limitation on Payments.

(a)Any provision of this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company pursuant to this Agreement or otherwise ("**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Reduced Amount (as defined below). The "**Reduced Amount**" will be either (A) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (B) the entire Payment, whichever amount after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive' s receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (A) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**"). Notwithstanding the foregoing, if

the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A of the Code that would not otherwise be subject to taxes pursuant to Section 409A of the Code, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A of

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the Code as follows: (1) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (2) as a second priority, Payments that are contingent on future events (e.g., being terminated without cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (3) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A of the Code shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A of the Code.

(b)The accounting firm engaged by the Company for general tax purposes as of the day prior to the Change in Control will perform the calculations set forth in Section 8(a) above. If the firm so engaged by the Company is serving as the accountant or auditor for the acquiring company, the Company will appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company will bear all expenses with respect to the determinations by such firm required to be made hereunder. The accounting firm engaged to make the determinations hereunder will provide its calculations, together with detailed supporting documentation, to the Company within thirty (30) days before the consummation of a Change in Control (if requested at that time by the Company) or such other time as requested by the Company. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it will furnish the Company with documentation reasonably acceptable to the Company that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder will be final, binding and conclusive upon the Company and Executive.

9. Definitions. The following terms used in this Agreement shall have the following meanings:

(a) "**Cause**" means: (i) a material breach of any of Executive's representations or obligations contained in any offer letter or employment agreement between Executive and the Company, including Executive's willful failure or refusal to perform the job duties and responsibilities assigned to Executive by the Company, which if such material breach is reasonably susceptible of cure is not cured after thirty (30) days have elapsed following the date on which the Company gives Executive written notice of such breach; (ii) conviction of, or plea of guilty or nolo contendere to, any felony or any crime involving moral turpitude; (iii) participation in a fraud, act of dishonesty or misappropriation or similar conduct against the Company; (iv) conduct that is materially injurious to the Company or its affiliates or subsidiaries, monetarily or otherwise; (v) improper use or disclosure of the Company's confidential or proprietary information; or (vi) obtaining a direct or indirect personal benefit from the transfer or use of the Company's trade secrets or intellectual property other than on the Company's behalf.

(b) "**Change in Control**" has the meaning ascribed to such term under the Company's 2020 Incentive Award Plan, as may be amended from time to time; provided, that such transaction must also constitute a "change in control event" within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

(c) "**Change in Control Period**" means the period of time commencing three months prior to the consummation of a Change in Control and ending on the twelve (12) month anniversary of such consummation of the Change in Control.

(d) "**Covered Termination**" means the termination of Executive's employment by the Company other than for Cause or by Executive for Good Reason, and shall not include a termination due to Executive's death or disability.

(e) "**Good Reason**" for Executive to terminate Executive's employment hereunder shall mean the occurrence of any of the following events without Executive's consent: (i) any material breach of the terms of this Agreement by the Company; (ii) any material restriction or diminution in Executive's duties or responsibilities; (iii) any change in the location of Executive's principal place of employment that increases Executive's one-way commute in excess of fifty (50) miles from Executive's principal place of

employment prior to such change; (iv) any material failure by the Company to pay Executive's base salary, bonuses that Executive has earned, or benefits that Executive is entitled to receive under Executive's offer letter or other agreement with the Company, or any material reduction by the Company of Executive's base salary under Executive's offer letter or other agreement with the Company, provided, however, that if the Company institutes a Company-wide reduction in salaries, bonuses and benefits for other executive management team members, such reduction shall not be deemed "material" for this definition. Notwithstanding the foregoing, Executive's resignation shall not constitute a resignation for "Good Reason" unless (X) Executive provides advance written notice of such resignation to the Company within sixty (60) days of the initial occurrence of the event or action giving rise to Good Reason, (Y) such written notice specifies that Executive's resignation is effective not less than thirty (30) days, nor more than sixty (60) days, after the date of the written notice, and (Z) the Company fails to remedy the basis for Good Reason prior to the date of resignation specified in the written notice.

(f) "**Separation from Service**" means a "separation from service" with the Company within the meaning of Section 409A of the Code and the Department of Treasury regulations and other guidance promulgated thereunder.

(g) "**Termination Date**" means the date on which Executive experiences a Covered Termination.

10. Successors.

(a) Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "**Company**" shall include any successor to the Company's business or assets which executes and delivers the assumption agreement described in this Section 10(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

11. Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile), delivery by email or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed in the Company's books and records.

12. Confidentiality; Non-Disparagement.

(a) Confidentiality. Executive hereby expressly confirms Executive's continuing obligations to the Company pursuant to that certain Employee Proprietary Information and Invention Assignment Agreement or other confidentiality agreement by and between the Company and Executive (the "**Confidential Information Agreement**").

(b) Non-Disparagement. Executive agrees that Executive shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, stockholders or employees, either publicly or privately. Nothing in this Section 12(b) shall apply to any evidence or testimony required by any court, arbitrator or government agency.

(c) Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement or the Confidential Information Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

13. Dispute Resolution. To ensure the timely and economical resolution of disputes that arise in connection with this Agreement, Executive and the Company agree that, except as excluded herein, any

and all controversies, claims and disputes arising out of or relating to this Agreement, including without limitation any alleged violation of its terms or otherwise arising out of the Parties' relationship, shall be resolved solely and exclusively by final and binding arbitration held in San Mateo County, California through JAMS in conformity with California law and the then-existing JAMS employment arbitration rules, which can be found at https://www.jamsadr.com/rules-employment-

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arbitration/. The Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. shall govern the interpretation and enforcement of this arbitration clause. All remedies available from a court of competent jurisdiction shall be available in the arbitration; provided, however, in the event of a breach of Sections 12(a) or 12(b), the Company may request relief from a court of competent jurisdiction if such relief is not available or not available in a timely fashion through arbitration as determined by the Company. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall award the prevailing Party attorneys' fees and expert fees, if any. Notwithstanding the foregoing, it is acknowledged that it will be impossible to measure in money the damages that would be suffered if the Parties fail to comply with any of the obligations imposed on them under Sections 12(a) and 12(b), and that in the event of any such failure, an aggrieved person will be irreparably damaged and will not have an adequate remedy at law. Any such person shall, therefore, be entitled to seek injunctive relief, including specific performance, to enforce such obligations, and if any action shall be brought in equity to enforce any of the provisions of Sections 12(a) and 12(b), none of the Parties shall raise the defense, without a good faith basis for raising such defense, that there is an adequate remedy at law. Executive and the Company understand that by agreement to arbitrate any claim pursuant to this Section 13, they will not have the right to have any claim decided by a jury or a court, but shall instead have any claim decided through arbitration. Executive and the Company waive any constitutional or other right to bring claims covered by this Agreement other than in their individual capacities. Except as may be prohibited by applicable law, the foregoing waiver includes the ability to assert claims as a plaintiff or class member in any purported class or collective action or representative proceeding. Nothing herein shall limit Executive's ability to pursue claims for workers compensation or unemployment benefits or pursue other claims which by law cannot be subject to mandatory arbitration.

14. Miscellaneous Provisions.

(a) Section 409A.

(i) Separation from Service. Notwithstanding any provision to the contrary in this Agreement, no amount constituting deferred compensation subject to Section 409A of the Code shall be payable pursuant to Sections 3 or 4 above unless Executive's termination of employment constitutes a Separation from Service.

(ii) Specified Executive. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six-month period measured from the date of Executive's Separation from Service or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 14(a)(ii) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

(iii) Expense Reimbursements. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(iv) Installments. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate

payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

(v) Release. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of Executive's termination of employment are subject to Executive's execution and delivery of a Release of Claims, (A) if Executive fails to execute the Release of Claims on or prior to the Release Expiration Date (as defined below) or timely revokes Executive's acceptance of the Release of Claims thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release of Claims, and (B) in any case where Executive's Termination Date and the last day the Release may be considered or, if applicable, revoked fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release of Claims and are treated as nonqualified deferred compensation for purposes of Section 409A of the Code shall be made in the later taxable year. For purposes hereof, **"Release Expiration Date**" shall mean (1) if Executive is under 40 years old as of the Termination Date, the date that is seven (7) days following the date upon which the Company timely delivers the Release of Claims to Executive, or such shorter time prescribed by the Company, and (2) if Executive is 40 years or older as of the Termination Date, the date that is twenty one (21) days following the date upon which the Company timely delivers the Release of Claims to Executive, or, if Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date that is forty five (45)days following such delivery date.

(b) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local, or foreign withholding or other taxes or charges which the Company is required to withhold.

(c) Waiver. No provision of this Agreement shall be modified, waived or dis□charged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized member of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(d) Whole Agreement. This Agreement and the Confidential Information Agreement represent the entire understanding of the parties hereto with respect to the subject matter

hereof and supersede all prior promises, arrangements and understandings regarding the same, whether written or unwritten, including, without limitation, any severance or change in control benefits in Executive's offer letter agreement, employment agreement and/or equity award agreement or previously approved by the Company.

(e) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California without regard to its conflicts of law provisions.

(f) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid or unenforceable provisions had never been contained herein.

(g) Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(h) Executive Acknowledgement. Executive acknowledges that (i) Executive has consulted with or has had the opportunity to consult with independent counsel of Executive's own choice concerning this Agreement, and has been advised to do so by the Company, and (ii) that Executive has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on Executive's own judgment.

(*Signature page follows*)

The parties have executed this Agreement, in the case of the Company by its duly authorized officer, as of the dates set forth below.

ALIGOS THERAPEUTICS, INC.
By:

Title:

Date:

EXECUTIVE

Matthew McClure

Date:

Exhibit 10.17

ALIGOS THERAPEUTICS, INC.

CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Change in Control and Severance Agreement (the "**Agreement**") is made and entered into by and between Lesley Ann Calhoun ("**Executive**") and Aligos Therapeutics, Inc. (the "**Company**"), effective as of December 1, 2020 (the "**EffectiveDate**").

Background

A. The Board of Directors of the Company (the "**Board**") recognizes that the possibility of an acquisition of the Company or an involuntary termination can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the

best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of such an event.

B. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue Executive's employment and to motivate Executive to maximize the value of the Company upon a Change in Control (as defined below) for the benefit of its stockholders.

C. The Board believes that it is imperative to provide Executive with severance benefits upon certain terminations of Executive's service to the Company that enhance Executive's financial security and provide incentive and encouragement to Executive to remain with the Company notwithstanding the possibility of such an event.

D. Unless otherwise defined herein, capitalized terms used in this Agreement are defined in Section 9 below.

Agreement

The parties hereto agree as follows:

1. Term of Agreement. This Agreement shall become effective as of the Effective Date and terminate upon the date that all obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and shall continue to be "at-will," as defined under applicable law. Except as provided in Section 5 below, if Executive's employment terminates for any reason, Executive shall not be entitled to any severance payments, benefits or compensation other than as provided in this Agreement.

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3. Covered Termination Outside a Change in Control Period. If Executive experiences a Covered Termination outside a Change in Control Period, then, subject to (i) Executive delivering to the Company

an executed general release of all claims against the Company and its affiliates in a form approved by the Company (a "**ReleaseofClaims**") that becomes effective and irrevocable in accordance with Section 14(a)(v) below following such Covered Termination and (ii) Executive's continued compliance with Section 12 below, then in addition to any accrued but unpaid salary, benefits, vacation and expense reimbursements through the Termination Date payable in accordance with applicable law, the Company shall provide Executive with the following:

(a) Severance. Executive shall be entitled to receive continued payment of Executive's annual base salary at the rate in effect immediately prior to the Termination Date during the period commencing on the Termination Date and ending on the nine (9)-month anniversary of the Termination Date (the "**Severance Period**"), payable in substantially equal installments in accordance with the Company's standard payoll policies, less applicable withholdings, with such installments to commence on the first payroll date following the date the Release of Claims becomes effective and irrevocable in accordance with Section 14(a)(v) below, with the first installment to include any amount that would have been paid had the Release of Claims been effective and irrevocable on the Termination Date.

(b) Continued Healthcare. If Executive timely elects to receive continued healthcare coverage pursuant to the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), the Company shall directly pay, or reimburse Executive for, the Company's portion of the premium (at the same rates in effect on the Termination Date) for Executive and Executive's covered dependents through the earlier of (i) the end of the Severance Period and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Internal Revenue Code of 1986, as amended, (the "**Code**") under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 3(b), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA. Executive shall notify the Company immediately if Executive becomes covered by a group health plan of a subsequent employer.

(c) Equity Awards. Each outstanding and unvested equity award (excluding any such awards that vest in whole or in part based on the attainment of performance-vesting conditions) held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse with respect to that number of shares that would have vested and, if applicable, become exercisable during the Severance Period had Executive's employment continued during such period, and each option held by Executive to purchase the

Company's common stock that is vested as of the Termination Date (after giving effect to any applicable accelerated vesting) will remain exercisable until the earlier of the twelve (12) -month anniversary of the Termination Date or the original expiration of the option.

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4. Covered Termination During a Change in Control Period. If Executive experiences a Covered Termination during a Change in Control Period, then, subject to (i) Executive delivering to the Company an executed Release of Claims that becomes effective and irrevocable in accordance with Section 14(a)(v) below following such Covered Termination and (ii) Executive's continued compliance with Section 12 below, then in addition to any accrued but unpaid salary, benefits, vacation and expense reimbursements through the Termination Date payable in accordance with applicable law, the Company shall provide Executive with the following:

(a) Severance. Executive shall be entitled to receive an amount equal to the sum of (x) Executive's annual base salary at the rate in effect immediately prior to the Termination Date and (y) Executive's target annual bonus assuming achievement of performance goals at one hundred percent (100%) of target, payable in a cash lump sum, less applicable withholdings, on the first payroll date following the date the Release of Claims becomes effective and irrevocable in accordance with Section 14(a)(v) below.

(b) Continued Healthcare. If Executive timely elects to receive continued healthcare coverage pursuant to the provisions of COBRA, the Company shall directly pay, or reimburse Executive for, the Company's portion of the premium (at the same rates in effect on the Termination Date) for Executive and Executive's covered dependents through the earlier of (i) the first anniversary of the Termination Date and (ii) the date Executive and Executive's covered dependents, if any, become eligible for healthcare coverage under another employer's plan(s). Notwithstanding the foregoing, (i) if any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the period of continuation coverage to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), or (ii) the Company is otherwise unable to continue to cover Executive under its group health plans without penalty under applicable law (including without limitation, Section 2716 of the Public Health Service Act), then, in either case, an amount equal to each remaining

Company subsidy shall thereafter be paid to Executive in substantially equal monthly installments. After the Company ceases to pay premiums pursuant to this Section 4(b), Executive may, if eligible, elect to continue healthcare coverage at Executive's expense in accordance with the provisions of COBRA. Executive shall notify the Company immediately if Executive becomes covered by a group health plan of a subsequent employer.

(c) Equity Awards. Each outstanding and unvested equity award held by Executive shall automatically become vested and, if applicable, exercisable and any forfeiture restrictions or rights of repurchase thereon shall immediately lapse with respect to one hundred percent (100%) of the shares subject thereto, as of immediately prior to the Termination Date, and each option held by Executive to purchase the Company's common stock that is vested as of the Termination Date (after giving effect to any applicable accelerated vesting) will remain exercisable until the earlier of the twelve (12)-month anniversary of the Termination Date or the original expiration of the option. Unless otherwise set forth in an applicable award agreement, for purposes of this Section 4(c) each award subject to performance-based vesting will be deemed earned at the greater of (i) target or (ii) actual achievement measured as of the Termination Date (to the extent then measurable).

5. Certain Reductions. Notwithstanding anything herein to the contrary, the Company shall reduce Executive's severance benefits under this Agreement, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company

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in connection with Executive's termination, including but not limited to payments or benefits pursuant to (a) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act, or (b) any other Company agreement, arrangement, policy or practice relating to Executive's termination of employment with the Company. The benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive's termination of employment. Such reductions shall be applied on a retroactive basis, with severance benefits paid first in time being recharacterized as payments pursuant to the Company's statutory obligation.

6. Deemed Resignation. Upon termination of Executive's service for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its affiliates, and, at the Company's request, Executive shall execute such documents as are necessary or desirable to effectuate such resignations.

7. Other Terminations. If Executive's employment with the Company terminates for any reason other than due to a Covered Termination, then Executive shall not be entitled to any benefits hereunder other than accrued but unpaid salary, vacation and expense reimbursements through the Termination Date in accordance with applicable law and to elect any continued healthcare coverage as may be required under COBRA or similar state law.

8. Limitation on Payments.

(a)Any provision of this Agreement to the contrary notwithstanding, if any payment or benefit Executive would receive from the Company pursuant to this Agreement or otherwise ("**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Reduced Amount (as defined below). The "**Reduced Amount**" will be either (A) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (B) the entire Payment, whichever amount after taking into account all applicable federal, state, and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive' s receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (A) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**"). Notwithstanding the foregoing, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A of the Code that would not otherwise be subject to taxes pursuant to Section 409A of the Code, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A of the Code as follows: (1) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (2) as a second priority, Payments that are contingent on future events (e.g., being terminated without cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (3) as a

third priority, Payments that are “deferred compensation” within the meaning of Section 409A of the Code shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A of the Code.

(b)The accounting firm engaged by the Company for general tax purposes as of the day prior to the Change in Control will perform the calculations set forth in Section 8(a) above. If the firm so engaged by the Company is serving as the accountant or auditor for the acquiring company, the Company will appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company will bear all expenses with respect to the determinations by such firm required to be made hereunder. The accounting firm engaged to make the determinations hereunder will provide its calculations, together with detailed supporting documentation, to the Company within thirty (30) days before the consummation of a Change in Control (if requested at that time by the Company) or such other time as requested by the Company. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it will furnish the Company with documentation reasonably acceptable to the Company that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder will be final, binding and conclusive upon the Company and Executive.

9. Definitions. The following terms used in this Agreement shall have the following meanings:

(a) “**Cause**” means: (i) a material breach of any of Executive’s representations or obligations contained in any offer letter or employment agreement between Executive and the Company, including Executive’s willful failure or refusal to perform the job duties and responsibilities assigned to Executive by the Company, which if such material breach is reasonably susceptible of cure is not cured after thirty (30) days have elapsed following the date on which the Company gives Executive written notice of such breach; (ii) conviction of, or plea of guilty or nolo contendere to, any felony or any crime involving moral turpitude; (iii) participation in a fraud, act of dishonesty or misappropriation or similar conduct against the Company; (iv) conduct that is materially injurious to the Company or its affiliates or subsidiaries, monetarily or otherwise; (v) improper use or disclosure of the Company’s confidential or proprietary information; or (vi) obtaining a direct or indirect personal benefit from the transfer or use of the Company’s trade secrets or intellectual property other than on the Company’s behalf.

(b) “**Change in Control**” has the meaning ascribed to such term under the Company’s 2020 Incentive Award Plan, as may be amended from time to time; provided, that such transaction must

also constitute a “change in control event” within the meaning of Treasury Regulation Section 1.409A-3(i)(5).

(c) “**Change in Control Period**” means the period of time commencing three months prior to the consummation of a Change in Control and ending on the twelve (12) month anniversary of such consummation of the Change in Control.

(d) “**Covered Termination**” means the termination of Executive’s employment by the Company other than for Cause or by Executive for Good Reason, and shall not include a termination due to Executive’s death or disability.

(e) “**Good Reason**” for Executive to terminate Executive’s employment hereunder shall mean the occurrence of any of the following events without Executive’s consent: (i) any material breach of the terms of this Agreement by the Company; (ii) any material restriction or diminution in Executive’s duties or responsibilities; (iii) any change in the location of Executive’s principal place of employment that increases Executive’s one-way commute in excess of fifty (50) miles from Executive’s principal place of employment prior to such change; (iv) any material failure by the Company to pay Executive’s base salary, bonuses that Executive has earned, or benefits that Executive is entitled to receive under Executive’s offer letter or other agreement with the Company, or any material reduction by the Company of Executive’s base salary under Executive’s offer letter or other agreement with the Company, provided, however, that if the Company institutes a Company-wide reduction in salaries, bonuses and benefits for other executive management team members, such reduction shall not be deemed “material” for this definition. Notwithstanding the foregoing, Executive’s resignation shall not constitute a resignation for “Good Reason” unless (X) Executive provides advance written notice of such resignation to the Company within sixty (60) days of the initial occurrence of the event or action giving rise to Good Reason, (Y) such written notice specifies that Executive’s resignation is effective not less than thirty (30) days, nor more than sixty (60) days, after the date of the written notice, and (Z) the Company fails to remedy the basis for Good Reason prior to the date of resignation specified in the written notice.

(f) "**Separation from Service**" means a "separation from service" with the Company within the meaning of Section 409A of the Code and the Department of Treasury regulations and other guidance promulgated thereunder.

(g) "**Termination Date**" means the date on which Executive experiences a Covered Termination.

10. Successors.

(a) Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "**Company**" shall include any successor to the Company's business or assets which executes and delivers the assumption agreement described in this Section 10(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

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11. Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by facsimile), delivery by email or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at Executive's address as listed in the Company's books and records.

12. Confidentiality; Non-Disparagement.

(a) Confidentiality. Executive hereby expressly confirms Executive's continuing obligations to the Company pursuant to that certain Employee Proprietary Information and Invention

Assignment Agreement or other confidentiality agreement by and between the Company and Executive (the "**Confidential Information Agreement**").

(b) Non-Disparagement. Executive agrees that Executive shall not disparage, criticize or defame the Company, its affiliates and their respective affiliates, directors, officers, agents, partners, stockholders or employees, either publicly or privately. Nothing in this Section 12(b) shall apply to any evidence or testimony required by any court, arbitrator or government agency.

(c) Whistleblower Protections and Trade Secrets. Notwithstanding anything to the contrary contained herein, nothing in this Agreement or the Confidential Information Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

13.Dispute Resolution. To ensure the timely and economical resolution of disputes that arise in connection with this Agreement, Executive and the Company agree that, except as excluded herein, any and all controversies, claims and disputes arising out of or relating to this Agreement, including without limitation any alleged violation of its terms or otherwise arising out of the Parties' relationship, shall be resolved solely and exclusively by final and binding arbitration held in San Mateo County, California through JAMS in conformity with California law and the then-existing JAMS employment arbitration rules, which can be found at https://www.jamsadr.com/rules-employment-arbitration/. The Federal Arbitration Act, 9 U.S.C. §§ 1 et seq. shall govern the interpretation and enforcement of this arbitration clause. All remedies available from a court of competent jurisdiction shall be available in the arbitration; provided, however, in the event of a breach of Sections 12(a) or 12(b), the Company may request relief from a court of competent jurisdiction if such relief is not

available or not available in a timely fashion through arbitration as determined by the Company. The arbitrator shall: (a) provide adequate discovery for the resolution of the dispute; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall award the prevailing Party attorneys' fees and expert fees, if any. Notwithstanding the foregoing, it is acknowledged that it will be impossible to measure in money the damages that would be suffered if the Parties fail to comply with any of the obligations imposed on them under Sections 12(a) and 12(b), and that in the event of any such failure, an aggrieved person will be irreparably damaged and will not have an adequate remedy at law. Any such person shall, therefore, be entitled to seek injunctive relief, including specific performance, to enforce such obligations, and if any action shall be brought in equity to enforce any of the provisions of Sections 12(a) and 12(b), none of the Parties shall raise the defense, without a good faith basis for raising such defense, that there is an adequate remedy at law. Executive and the Company understand that by agreement to arbitrate any claim pursuant to this Section 13, they will not have the right to have any claim decided by a jury or a court, but shall instead have any claim decided through arbitration. Executive and the Company waive any constitutional or other right to bring claims covered by this Agreement other than in their individual capacities. Except as may be prohibited by applicable law, the foregoing waiver includes the ability to assert claims as a plaintiff or class member in any purported class or collective action or representative proceeding. Nothing herein shall limit Executive's ability to pursue claims for workers compensation or unemployment benefits or pursue other claims which by law cannot be subject to mandatory arbitration.

14. Miscellaneous Provisions.

(a) Section 409A.

(i) Separation from Service. Notwithstanding any provision to the contrary in this Agreement, no amount constituting deferred compensation subject to Section 409A of the Code shall be payable pursuant to Sections 3 or 4 above unless Executive's termination of employment constitutes a Separation from Service.

(ii) Specified Executive. Notwithstanding any provision to the contrary in this Agreement, if Executive is deemed at the time of his Separation from Service to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to

avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (A) the expiration of the six-month period measured from the date of Executive's Separation from Service or (B) the date of Executive's death. Upon the first business day following the expiration of the applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this Section 14(a)(ii) shall be paid in a lump sum to Executive, and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

(iii)Expense Reimbursements. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to Executive pursuant to this Agreement shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount

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of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(iv)Installments. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

(v) Release. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of Executive's termination of employment are subject to Executive's execution and delivery of a Release of Claims, (A) if Executive fails to execute the Release of Claims on or prior to the Release Expiration Date (as defined below) or timely revokes Executive's acceptance of the Release of Claims thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release of Claims, and (B) in any case where Executive's Termination Date and the last day the Release may be considered or, if applicable, revoked fall in two separate taxable years, any payments required to be made to Executive that are conditioned

on the Release of Claims and are treated as nonqualified deferred compensation for purposes of Section 409A of the Code shall be made in the later taxable year. For purposes hereof, **"Release Expiration Date**" shall mean (1) if Executive is under 40 years old as of the Termination Date, the date that is seven (7) days following the date upon which the Company timely delivers the Release of Claims to Executive, or such shorter time prescribed by the Company, and (2) if Executive is 40 years or older as of the Termination Date, the date that is twenty one (21) days following the date upon which the Company timely delivers the Release of Claims to Executive, or, if Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967), the date that is forty five (45)days following such delivery date.

(b) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local, or foreign withholding or other taxes or charges which the Company is required to withhold.

(c) Waiver. No provision of this Agreement shall be modified, waived or dis□charged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized member of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(d) Whole Agreement. This Agreement and the Confidential Information Agreement represent the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior promises, arrangements and understandings regarding the same, whether written or unwritten, including, without limitation, any severance or change in control benefits in Executive's offer letter agreement, employment agreement and/or equity award agreement or previously approved by the Company.

(e) Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California without regard to its conflicts of law

provisions.

(f) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid or unenforceable provisions had never been contained herein.

(g) Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(h) Executive Acknowledgement. Executive acknowledges that (i) Executive has consulted with or has had the opportunity to consult with independent counsel of Executive's own choice concerning this Agreement, and has been advised to do so by the Company, and (ii) that Executive has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on Executive's own judgment.

(*Signature page follows*)

The parties have executed this Agreement, in the case of the Company by its duly authorized officer, as of the dates set forth below.

ALIGOS THERAPEUTICS, INC.
By:

Title:

Date:

EXECUTIVE

Lesley Ann Calhoun

Date:

Exhibit 10.18

SEPARATION AND GENERAL RELEASE AGREEMENT

THIS SEPARATION AND GENERAL RELEASE AGREEMENT (this "**Agreement**") is made and entered into as of the Effective Date, defined in Section 6(e) below, by and between, Leonid Beigelman, Ph.D., an individual (the "**Employee**"), and Aligos Therapeutics, Inc., a Delaware Corporation (the "**Company**") (collectively the "**Parties**," and each a "**Party**").

WHEREAS, Employee and the Company are parties to that certain Amended and Restated Employment Agreement, dated as of February 10, 2021 (the "**Employment Agreement**");

WHEREAS, Employee and the Company wish to specify the terms of Employee's resignation from Employee's employment with the Company and its affiliates effective December 1, 2023 (the "**Separation Date**");

NOW THEREFORE, in consideration of the recitals above and the mutual promises and obligations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, it is agreed as follows:

1. Employment and Resignation. Employee hereby resigns his employment with the Company effective on the Separation Date, and that resignation is a "Separation from Service" with the Company within the meaning of Section 409A of the Internal Revenue Code and the regulations thereunder as of that date. Employee hereby irrevocably resigns from his position as a Director of the Company effective November 10, 2023. Employee acknowledges that (a) Employee is not authorized to, and (b) shall not represent Employee is authorized to, speak on behalf of the Company. From November

10, 2023 through the Separation Date, Employee shall be relieved of his regular job duties, not report to Company facilities, but shall be available upon reasonable notice during regular business hours to respond to requests for information or assistance from the Company.

2. All Obligations Paid in Full. Employee understands that except as set forth in this Section 2 and in Section 3, Employee shall not be entitled to any further wages (including bonuses or other incentive compensation) or benefits from the Company or its Affiliates after the Separation Date. Employee acknowledges and agrees that Employee has received all wages and benefits earned through October 31, 2023, will be paid through regular payroll for all wages benefits earned between November 1, 2023 and November 15, 2023, and, on November 30, 2023, through direct deposit on file, will receive payment of base salary for the period from November 16, 2023 through the Separation Date, as well as any accrued, unused paid time off. Employee acknowledges that he will not have earned or otherwise be entitled to any further wages, including any bonus compensation. Employee further acknowledges that he is not entitled to any payment under Section 7 of the Employment Agreement or any other severance plan or policy of

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the Company. Employee has received the following equity grants pursuant to the Company's 2020 Incentive Award Plan (the "**Plan**"):

Grant Number	Grant Date	Plan/Type	Granted Shares	Vested	Unvested
ES-046	02/20/2020	2018/NQ	65,849	63,105	2,744
ES-092	02/20/2020	2018/NQ	202,399	193,965	8,434
ES-183	12/01/2020	2020/ISO	24,720	18,540	6,180
ES-184	12/01/2020	2020/NQ	275,280	200,210	75,070
ES-401	02/04/2022	2020/ISO	42,135	4	42,131
ES-402	02/04/2022	2020/NQ	184,665	99,221	85,444
ES-403	02/04/2022	2020/ISO	32,679	0	32,679
ES-404	02/04/2022	2020/NQ	24,021	0	24,021

ES-670	07/07/2022	2020/ISO	16,483	2	16,481
ES-671	07/07/2022	2020/NQ	96,517	37,664	58,853
ES-811	03/15/2023	2020/ISO	46,300	0	46,300
ES-812	03/15/2023	2020/NQ	123,200	24,718	98,482
Total			**1,617,096**	**1,120,277**	**496,819**

Employee acknowledges thatthe vested and unvested portions of the awards shall remain subject to the terms of the Plan, and except as provided in Section 3, all unvested options are forfeited as of the Separation Date.

3. Separation Benefits. Provided that Employee delivers a signed copy of this Agreement on or before the twenty-first (21st) day following the date of presentation of this Agreement to the Company and Employee does not revoke this Agreement on or before the seventh (7th) calendar day following Employee's execution of this Agreement, the Company will provide the following "**Severance Benefits:"**

a. The Company will pay to Employee two hundred forty-one thousand, three hundred twenty-nine dollars and zero cents ($241,329), less tax and other required withholdings, in a series of substantially equal installments over a period of six (6) months on the Company's regular pay dates, beginning on the first regular pay date following the Effective Date ("Severance Payment"), and,

b. Provided that Employee timely elects to continue Employee's healthcare insurance benefits under Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), and remains eligible to do so, the Company will directly pay the premium for a period of twelve (12) months beginning on the first day of the first month following the Separation Date

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(the "**COBRA Period**"). Employee may continue Employee's healthcare insurance benefits following the COBRA Period, at Employee's own expense, to the extent Employee remains eligible for under COBRA. Employee agrees that if Employee becomes eligible for healthcare insurance benefits under the plan(s) of another

employer, Employee will promptly notify the Company and the COBRA Period will immediately terminate. After the Company ceases to pay premiums pursuant to the preceding sentence, you may, if eligible, elect to continue healthcare coverage at your own expense in accordance with the provisions of COBRA. Notwithstanding the foregoing, if (1) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A of the Code under Treasury Regulation Section 1.409A-1(a)(5), (2) the Company is otherwise unable to continue to cover you or your covered dependents under its group health plans, or (3) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to each remaining Company subsidy shall thereafter be paid to you in substantially equal monthly installments over the COBRA Period (or remaining portion thereof), and.

4. General Release by Employee. Subject to Section 5 below, Employee hereby releases and discharges forever the Company, and each of its parents, subsidiaries and affiliates, and each of their present and former shareholders, members, partners, directors, officers, employees, trustees, agents, attorneys, administrators, plans, plan administrators, insurers, agents, predecessors, successors and assigns, and all persons acting by, through, under or in concert with them (hereinafter collectively referred to as the "**Employee Released Parties**"), from and against all liabilities, claims, demands, liens, causes of action, charges, suits, complaints, grievances, contracts, agreements, promises, obligations, costs, losses, damages, injuries, attorneys' fees, and other legal responsibilities (collectively referred to as "**Claims**"), of any form whatsoever, including, but not limited to, any claims in law, equity, contract, tort, or any claims Age Discrimination in Employment Act, as amended, 29 U.S.C. § 621, et seq. (the "**ADEA**"); Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, 42 U.S.C. § 2000 et seq.; Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Civil Rights Act of 1866, 42 U.S.C. § 1981; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.; the False Claims Act, 31 U.S.C. § 3729 et seq.; the Employee Retirement Income Security Act, as amended, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, as amended, 29 U.S.C. § 2101 et seq.; the California Fair Employment and Housing Act, as amended, Cal. Gov. Code § 12940 et seq.; the California Equal Pay Law, as amended, Cal. Lab. Code §§ 1197.5(a),1199.5; the Moore-Brown-Roberti Family Rights Act of 1991, as amended, Cal. Gov't Code §§12945.2, 19702.3; the California WARN Act, Cal. Lab. Code § 1400 et seq.; the California False Claims Act, Cal. Gov't Code § 12650 et seq.; or under the California Labor Code, or any other local ordinance or federal

or state statute, regulation or constitution, whether known or unknown arising from any action or inaction whatsoever prior to the date of execution of this Agreement.

5. Exclusions from General Release. Notwithstanding the generality of Section 5, Employee does not release the following claims and rights:

(a) Employee's rights under this Agreement;

(b) any claims for unemployment compensation or any state disability insurance be pursuant to the terms of applicable state law;

(c) claims to continued participation in certain of the Company's group benefit plans pur to the terms and conditions of the federal law known as COBRA or the compa California law known as Cal-COBRA;

(d) Employee's rights, if any, to indemnity and/or advancement of expenses pursua applicable state law, the Company's articles, bylaws or other corporate goverr documents, and/or to the protections of any director' and officers' liability policies Company or any of its affiliates; and

(e) Any other right that may not be released by private agreement.

(collectively, the "**Employee Unreleased Claims**").

6. Rights Under the ADEA and Older Workers Benefit Protection Act. Without limiting the scope of the foregoing release of Claims in any way, Employee certifies that this release constitutes a knowing and voluntary waiver of any and all rights or claims that exist or that Employee has or may claim to have under ADEA. This release does not govern any rights or claims that might arise under the ADEA after the date this Agreement is signed by Employee. Employee acknowledges that:

(a) The consideration provided pursuant to this Agreement is in addition to any conside that Employee would otherwise be entitled to receive;

(b) Employee has been and is hereby advised in writing that Employee has the right t should consult with an attorney prior to signing this Agreement;

(c) Employee is hereby granted a period of least twenty-one (21) days from the da Employee's receipt of this Agreement within which to consider it;

(d) To the extent that Employee signs this Agreement after less than twenty-one (21) Employee acknowledges that Employee had sufficient time to consider this Agree with counsel and that Employee expressly, voluntarily and knowingly waives the balar the twenty-one (21) day period. Employee further agrees that any changes, whether material,

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to this Agreement shall not restart the running of the twenty-one (21) day period; and

(e) Employee has the right to revoke this Agreement at any time within the seven (7)-day period following the date on which Employee executes the Agreement, and Employee understands that the Agreement shall not become effective or enforceable until the calendar day immediately following the expiration of the seven (7)-day revocation period (the "**Effective Date**"); provided, however, that Employee's resignation as a Director is effective immediately upon his execution of this Agreement and not subject to revocation. Employee understands that Employee will not receive the Severance Benefits if Employee exercises Employee's right to revoke it. To revoke this Agreement, Employee must provide notice of revocation in accordance with Section 15, no later than 5:00 p.m. (Pacific Time) on the seventh (7th) calendar day immediately following the date on which Employee executes this Agreement.

7. Unknown Claims. Employee waives all rights under Section 1542 of the California Civil Code and/or any statute or common law principle of similar effect in any jurisdiction with respect to any Claims other than the Employee Unreleased Claims. Section 1542 reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Notwithstanding the provisions of Section 1542 or any statute or common law principle of similar effect in any jurisdiction, and for the purpose of implementing a full and complete release and discharge of all claims, Employee expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all claims which Employee does not know or suspect to exist in Employee's favor at the time of execution hereof, and that the general release agreed upon contemplates the extinguishment of any such claims.

8. Covenant Not To Sue. Employee represents and covenants that Employee has not filed, initiated or caused to be filed or initiated, any Claim, charge, suit, complaint, grievance, action or cause of action against the Company or any of the Employee Released Parties. Employee further acknowledges that Employee does not have any injury for which Employee would be entitled to workers' compensation benefits. Except to the extent that such waiver is precluded by law, Employee further promises and agrees that Employee will not file, initiate, or cause to be filed or initiated any Claim, charge, suit, complaint, grievance, action, or cause of action based upon, arising out of, or relating to any Claim, demand, or cause of action

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released herein, nor shall Employee participate, assist or cooperate in any Claim, charge, suit, complaint, grievance, action or proceeding regarding any of the Employee Released Parties, whether before a court or administrative agency or otherwise, unless required to do so by law. The parties further acknowledge that this Agreement will not prevent the Employee from : (a) filing a charge with the Equal Employment Opportunity Commission (or similar state agency) or participating in any investigation conducted by the Equal Employment Opportunity Commission (or similar state agency); provided, however, that Employee acknowledges and agrees that any Claims by Employee, or brought on Employee's behalf, for personal relief in connection with such a charge or investigation (such as reinstatement or monetary damages) would be and hereby are barred, or (b) from challenging the effectiveness of the release contained in this agreement as to claims under the ADEA.

9. No Assignment. Employee represents and warrants that Employee has made no assignment or other transfer, and covenants that Employee will make no assignment or other transfer, of any interest in any Claim which Employee may have against the Employee Released Parties, or any of them.

10. Disclosure Rights.

(a) Nothing in this Agreement or any exhibit or attachment hereto shall be construed or appl require the Company's prior approval of, prohibit or impede Employee or any person communicating directly with, cooperating with or providing information to any governmen regulatory body or any self-regulatory organization or receiving awards from or by a goverr agency for providing information; and

(b) Nothing in this Agreement or any exhibit or attachment hereto prevents Employee or any p from discussing or disclosing information about unlawful acts in the workplace, suc harassment or discrimination or any other conduct that Employee has reason to belie unlawful.

(c) Nothing in this Agreement or any exhibit or attachment hereto prevents employee from disclosing the terms of this Agreement: (i) to the extent that such disclosure is specifically required by law or legal process or as authorized in writing by the Company (including without limitation, disclosure to the Internal Revenue Service and other tax authorities); (ii) to Employee's tax advisor(s) or accountant(s) as may be necessary for the preparation of tax returns or other reports required by law; (iii) to Employee's attorney(s); and/or (iv) to members of Employee's immediate family, provided that, prior to disclosing any such information (except disclosures required by law or legal process or as authorized in writing), Employee will inform the recipients that they are bound by the limitations of Section 11.

(d) Pursuant to the Defend Trade Secrets Act, Employee is hereby notified that: An individual not be held criminally or civilly liable under any Federal or State trade secret law for the discl of a trade secret that is made in confidence to a

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Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under

seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

11. Confidentiality. Subject to Section 10, as a material inducement to the Company to enter into this Agreement, Employee agrees that Employee will not, directly or indirectly, disclose to any person or entity any information the terms and conditions of this Agreement.

12. Notices. Any notice to be given hereunder shall be deemed sufficient if sent by email to the addresses listed below:

If to the Company:

Kristina Engeseth
Vice President, Head of People & Culture
kengeseth@aligos.com

If to Employee:

Leonid Beigelman
lnb22358@gmail.com

Notices and communications shall be effective when actually received by the addressee. Either Party may change the address for notice by sending written notice of a change of address to the other Party in accordance with this Section.

13. Attorneys' Fees. Each Party shall bear his, her or its own attorney's fees in connection with the negotiation and preparation of this Agreement. In the event of any dispute arising out of or relating to a Party's performance or nonperformance of its obligations under this Agreement, the prevailing Party shall be entitled to recover attorneys' fees, costs and expenses actually incurred in connection with any action brought to resolve the dispute, subject to the limited exception in Section 8.

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14. No Presumption Against Drafter. Employee and the Company understand that this Agreement is deemed to have been drafted jointly by the parties. Any uncertainty or ambiguity shall

not be construed for or against any party based on attribution of drafting to any Party.

15. Entire Agreement. Employee and the Company understand that this Agreement, including any exhibits hereto, represents the entire agreement and understanding between the parties with respect to the subject matter hereof and, except as expressly stated in this Agreement, supersedes any prior agreement, understanding or negotiations respecting such subject matter; provided however, that this Agreement shall not limit, modify or supersede Employee's obligations under any agreement between Employee and the Company providing for confidentiality and non-use of information belonging to the Company or any of its affiliates, for the prohibition of use of the intellectual property and other assets of the Company or any of its affiliates, or prohibiting the solicitation of the employees of the Company or any of its affiliates, including without limitation, that certain Proprietary Information and Inventions Agreement and corresponding amendment, dated as of March 19, 2018. No change to or modification of this Agreement shall be valid or binding unless it is in writing and signed by Employee and a duly authorized representative of the Company.

16. No Reliance. Employee and the Company acknowledge that each of them is relying solely upon the contents of this Agreement, that there have been no other representations or statements made by any of the Released Parties or Employee, and that Employee and the Company are not relying on any other representations or statements whatsoever of any of the Employee Released Parties or Employee as an inducement to enter into this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the parties hereto as of the date indicated by the signature.

Leonid Beigelman, Ph.D.

DATED: _____ _____

Aligos Therapeutics, Inc.

Name	Jurisdiction of Incorporation or Organization
Aligos Belgium BV	Belgium
Aligos Australia Pty LTD	Australia
Aligos Therapeutics (Shanghai) Co. Ltd.	China

DATED: _____ _____

Name: Lawrence Blatt
Title: Chairman and CEO

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333- 249568) pertaining to the Aligos Therapeutics, Inc. 2018 Equity Incentive Plan, 2020 Incentive Award Plan and 2020 Employee Stock Purchase Plan,

(2) Registration Statement (Form S-8 No. 333- 254628) pertaining to the Aligos Therapeutics, Inc. 2020 Incentive Award Plan and 2020 Employee Stock Purchase Plan,

(3) Registration Statement (Form S-3 No. 333- 260774) of Aligos Therapeutics, Inc., and

(4) Registration Statement (Form S-8 No. 333- 263447) pertaining to the Aligos Therapeutics, Inc. 2020 Incentive Award Plan and 2020 Employee Stock Purchase Plan; Plan,
(5) Registration Statement (Form S-8 No. 333-270417) pertaining to the Aligos Therapeutics, Inc. 2020 Incentive Award Plan and 2020 Employee Stock Purchase Plan,
(6) Registration Statement (Form S-3 No. 333-275636) of Aligos Therapeutics, Inc.;

of our report dated March 9, 2023 March 12, 2024, with respect to the consolidated financial statements of Aligos Therapeutics, Inc. included in this Annual Report (Form 10-K) of Aligos Therapeutics, Inc. for the year ended December 31, 2022 December 31, 2023.

/s/ Ernst & Young LLP

San Mateo, California

March 9, 2023 12, 2024

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lawrence M. Blatt, Ph.D., certify that:

1. I have reviewed this Annual Report on Form 10-K of Aligos Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fac necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in a material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be design under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and tl preparation of financial statements for external purposes in accordance with generally accepted accounting principle

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial report which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financ information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 9, 2023March 12, 2024

By: /s/ Lawrence M. Blatt

Lawrence M. Blatt, Ph.D.

President, Chairman, and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO

RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,

AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lesley Ann Calhoun, certify that:

1. I have reviewed this Annual Report on Form 10-K of Aligos Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fac necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in a material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be design under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and tl preparation of financial statements for external purposes in accordance with generally accepted accounting principle

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered b this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control ove financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial repor which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financ information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 9, 2023March 12, 2024

By: /s/ Lesley Ann Calhoun

Lesley Ann Calhoun

Executive Vice President, Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Aligos Therapeutics, Inc. (the "Company") on Form 10-K for the period ended December 31, 2022 December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 9, 2023March 12, 2024

By: /s/ Lawrence M. Blatt

Lawrence M. Blatt, Ph.D.

President, Chairman, and Chief Executive Officer

(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Aligos Therapeutics, Inc. (the "Company") on Form 10-K for the period ended December 31, 2022 December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 9, 2023March 12, 2024

By: /s/ Lesley Ann Calhoun

Lesley Ann Calhoun

Executive Vice President, Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 97.1

ALIGOS THERAPEUTICS, INC. POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Aligos Therapeutics, Inc. (the "***Company***") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "***Policy***"), effective as of October 2, 2023 (the "***Effective Date***"). Capitalized terms used in this Policy but not otherwise defined in the text of this Policy are defined in Section 11 of this Policy.

1. Persons Subject to Policy

This Policy shall apply to current and former Officers of the Company. Each Officer shall be required to sign an acknowledgment pursuant to which such Officer will agree to be bound by the terms

of, and comply with, this Policy; provided, that any Officer's failure to sign any such acknowledgment shall not negate the application of this Policy to the Officer.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company

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or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "***Board***") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equityholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Personal Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. No member of the Committee or the Board shall have any personal liability to any person as a result of actions taken under this Policy and each member of the Committee and the Board shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any actions taken under this

Policy. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan,

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equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "***Other Recovery Arrangements***"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

"***Applicable Rules***" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"***Committee***" means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"***Erroneously Awarded Compensation***" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Financial Reporting Measure***" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

"***GAAP***" means United States generally accepted accounting principles.

"***IFRS***" means international financial reporting standards as adopted by the International Accounting Standards Board.

"***Impracticable***" means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such

attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"***Incentive-Based Compensation***" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the issuer has a class of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"***Officer***" means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"***Restatement***" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"***Three-Year Period***" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

ACKNOWLEDGMENT AND CONSENT TO POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded

Compensation (the "***Policy***") adopted by Aligos Therapeutics, Inc. (the "***Company***").

For good and valuable consideration, the receipt of which is acknowledged, the undersigned agrees to the terms of the Policy and agrees that compensation received by the undersigned may be subject to reduction, cancellation, forfeiture and/or recoupment to the extent necessary to comply with the Policy, notwithstanding any other agreement to the contrary. The undersigned further acknowledges and agrees that the undersigned is not entitled to indemnification in connection with any enforcement of the Policy and expressly waives any rights to such indemnification under the Company's organizational documents or otherwise.

_____

Signature

Date

Name

Title

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