

REFINITIV

DELTA REPORT

10-Q

XCUR - EXICURE, INC.
10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	3148
CHANGES	157
DELETIONS	2096
ADDITIONS	895

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

FORM 10-Q

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

For the quarterly period ended **June 30, 2023** **September 30, 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: 001-39011

EXICURE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

81-5333008

(IRS Employer
Identification No.)

2430 N. Halsted St.

Chicago, IL 60614

(Address of principal executive offices)

Registrant's telephone number, including area code (847) 673-1700

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	XCUR	The Nasdaq Stock Market LLC

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

As of **August 9, 2023** **May 13, 2024**, there were **8,648,307** **[8,651,006]** shares of the registrant's common stock, par value \$0.0001 per share, outstanding.

EXICURE, INC.

QUARTERLY REPORT ON FORM 10-Q

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains express or implied "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "could," "will," "would," "should," "expect," "plan," "anticipate," "believe," "estimate," "intend," "predict," "seek," "contemplate," "project," "continue," "potential," "ongoing" or the negative of these terms or other comparable terminology. Forward-looking statements also include the assumptions underlying or relating to such statements.

Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, such expectations or any of the forward-looking statements may prove to be incorrect and actual results could differ materially from those projected or assumed in the forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to inherent risks and uncertainties, including, but not limited to, the risk factors described in the "Risk Factor Summary" below and set forth in Part II, Item 1A "Risk Factors" below and for the reasons described elsewhere in this Quarterly Report on Form 10-Q. All forward-looking statements and reasons why results may differ included in this report are made as of the date hereof and we do not intend to update any forward-looking statements except as required by law. These forward-looking statements include, but are not limited to, statements concerning the following:

- substantial uncertainties regarding our exploration of strategic alternatives to maximize stockholder value, including whether we are able to identify potential partners and consummate transactions, in a timely manner or at all, whether we would be able to obtain sufficient funding to complete this process and whether any such transactions would generate value for stockholders;
- our ability to generate any meaningful value from sales, out-licensing or other transactions involving our historical assets;
- our ability to raise the substantial additional capital that is needed **within in the next few months very near term** to fund our operations and our pursuit of strategic alternatives, particularly given our current lack of a revenue source or committed financing and the substantial doubt about our ability to continue as a going concern;
- our ability to correct deficiencies and to remain listed on The Nasdaq Capital Market ("Nasdaq"), including the ability to maintain minimum stockholders' equity and stock price, and comply with applicable governance requirements, **among other requirements**, for continued listing on Nasdaq;
- any strategic plan or alternative that we may identify and pursue may involve unexpected costs, liabilities and/or delays and may not deliver anticipated benefits to our stockholders;

- our estimates of expenses, use of cash, timing of future cash needs, ongoing losses and capital requirements including our expectations relating to our needs for additional financing and the timing thereof may prove to be inaccurate;
- uncertainty about reaction from investors and potential business partners to our recent change changes of control and board and management composition and the future direction of the Company, and the ability of our controlling stockholder stockholders and new board members and management to earn the confidence of investors and potential partners despite limited experience with U.S. public companies, and how these factors may impact our ability to obtain funding and execute any strategic alternatives that we may identify;
- potential additional turnover of senior management, in the near term, and any inability to attract and retain qualified management and other key personnel, could create creates significant continuity risk and could impair our ability to raise capital and execute on our exploration of strategic alternatives;
- our ability to comply with all applicable laws, which may be particularly challenging given the recent turnover in our board potential turnover in and management, significant reductions in force, limited resources and the potential to enter into new business areas with which we have no past experience;
- our ability to obtain and maintain intellectual property protection for our technologies and our ability to operate our business without infringing the intellectual property rights of others;
- the impact of worsening macroeconomic conditions, including rising global inflation, actions taken by central banks to counter inflation, capital market and bank instability, exchange rate fluctuations, supply chain disruptions and energy and fuel prices;
- the impact of government laws and regulations as well as developments relating to our competitors or our industry; regulations; and
- other factors that may impact our financial results and condition and our ongoing strategic efforts.

These statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in Part II, Item 1A of this Quarterly Report on Form 10-Q under the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.

Any forward-looking statement in this Quarterly Report on Form 10-Q reflects our current view with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our business, results of operations, industry and future growth. Given these uncertainties, you should not place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Quarterly Report on Form 10-Q and the documents that we reference herein and have filed with the SEC as exhibits thereto completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements. Except as required by law, we assume no, and specifically decline any, obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

This Quarterly Report on Form 10-Q also contains or may contain estimates, projections and other information concerning our industry, our business and the markets for certain therapeutics, including data regarding the estimated size of those markets, their projected growth rates and the incidence of certain medical conditions. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained these industry, business, market and other data from reports, research surveys, studies and similar data prepared by third parties, industry, medical and general publications, government data and similar sources. In some cases, we do not expressly refer to the sources from which these data are derived.

Except where the context otherwise requires, in this Quarterly Report on Form 10-Q, the "Company," "Exicure," "we," "us" and "our" refers to Exicure, Inc., a Delaware corporation, and, where appropriate, our subsidiary.

SUMMARY RISK FACTORS

Investing in common stock involves numerous risks, including the risks described in "Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q. Below are some of these risks, any one of which could materially adversely affect our business, financial condition, results of operations and prospects.

- Our exploration of strategic alternatives may not be successful.
- We need to obtain substantial funding in the near term in order to continue operations and our exploration of strategic alternatives.

- Our controlling stockholder, executive officers and members of our board, have limited experience controlling or governing a public company in the United States.
 - Turnover of senior management, and any inability to attract and retain qualified management and other key personnel, could impair our ability to implement our business plan.
 - Our unaudited condensed consolidated financial statements have been prepared assuming that we will continue as a going concern.
 - We currently do not comply with the Nasdaq continued listing requirements. Our common stock may be delisted from Nasdaq, which could negatively impact the price of our common stock, liquidity and our ability to access the capital markets.
 - We have a history of losses. We expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability, which could result in a decline in the market value of our common stock.
 - Our internal computer systems, or those of contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our business operations.
 - Our information technology systems could face disruptions that could adversely affect our business.
 - Our business and operations could suffer in the event of system failures or unauthorized or inappropriate use of or access to our information technology systems.
 - Increasing scrutiny and changing expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.
 - Our current operations are concentrated in one location and any events affecting this location may have material adverse consequences.
 - The investment of our cash, cash equivalents and fixed income marketable securities is subject to risks which may cause losses and affect the liquidity of these investments.
 - If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.
 - We currently license patent rights from Northwestern University. If Northwestern University does not properly or successfully obtain, maintain or enforce the patents underlying such licenses, or if they retain or license to others any competing rights, our competitive position and business prospects may be adversely affected.
 - Our licensors, or any current or future strategic partners, may become subject to third-party claims or litigation alleging infringement of patents or other proprietary rights or seeking to invalidate patents or other proprietary rights, and we may need to resort to litigation to protect or enforce our patents or other proprietary rights, all of which could be costly, time consuming, or put our patents and other proprietary rights at risk.
 - We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.
 - If we fail to comply with our obligations under any license, collaboration or other agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing and protecting our therapeutic candidates or we could lose certain rights to grant sublicenses.
 - Our status as a “controlled company” could make our Common Stock less attractive to some investors or otherwise harm the trading price of our Common Stock.
 - The market price of our common stock has been, and is likely to continue to be, highly volatile, and you may not be able to resell your shares at or above the price you paid for them.
-
- Raising additional funds by issuing securities may cause dilution to existing stockholders and raising funds through lending and licensing arrangements may restrict our operations or require us to relinquish proprietary rights.
 - We are an “emerging growth company” and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies will make our common stock less attractive to investors.
 - Anti-takeover provisions in our charter documents and under the General Corporation Law of the State of Delaware could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our management.
 - Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.
 - Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.
 - FINRA sales practice requirements may limit a stockholder’s ability to buy and sell our stock due to our low stock price.
 - If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands, except share and per share data)

	December
June 30,	31,
2023	2022

September 30, 2023		September 30, 2023		December 31, 2022	
ASSETS	ASSETS				
ASSETS					
ASSETS					
Current assets:					
Current assets:					
Current assets:	Current assets:				
Cash and cash equivalents	Cash and cash equivalents	\$ 2,335	\$ 8,577		
Cash and cash equivalents					
Cash and cash equivalents					
Other receivable, from sale of property and equipment					
Prepaid expenses and other assets	Prepaid expenses and other assets	1,329	1,474		
Total current assets	Total current assets	3,664	10,051		
Property and equipment, net	Property and equipment, net	1,796	2,530		
Right-of-use asset					
Right-of-use asset					
Right-of-use asset	Right-of-use asset	6,893	7,257		
Other noncurrent assets	Other noncurrent assets	5,202	3,490		
Total assets	Total assets	\$ 17,555	\$ 23,328		
LIABILITIES AND STOCKHOLDERS' EQUITY	LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:	Current liabilities:				
Current liabilities:					
Current liabilities:					
Accounts payable					
Accounts payable					
Accounts payable	Accounts payable	343	361		
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	1,088	1,278		
Total current liabilities	Total current liabilities	1,431	1,639		
Total current liabilities					
Total current liabilities					
Lease liability, noncurrent					
Lease liability, noncurrent					
Lease liability, noncurrent	Lease liability, noncurrent	6,419	6,767		
Total liabilities	Total liabilities	7,850	8,406		
Total liabilities					
Total liabilities					
Contingencies (Note 11)					
Commitments and Contingencies (Note 11)					
Commitments and Contingencies (Note 11)					
Commitments and Contingencies (Note 11)					

Stockholders' equity:	Stockholders' equity:		
Preferred stock, \$0.0001 par value per share; 10,000,000 shares authorized, no shares issued and outstanding, June 30, 2023 and December 31, 2022		—	—
Common stock, \$0.0001 par value per share; 200,000,000 shares authorized, 8,648,307 issued and outstanding, June 30, 2023; 4,965,901 issued and outstanding, December 31, 2022		1	—
Stockholders' equity:			
Stockholders' equity:			
Preferred stock, \$0.0001 par value per share; 10,000,000 shares authorized, no shares issued and outstanding, September 30, 2023 and December 31, 2022			
Preferred stock, \$0.0001 par value per share; 10,000,000 shares authorized, no shares issued and outstanding, September 30, 2023 and December 31, 2022			
Preferred stock, \$0.0001 par value per share; 10,000,000 shares authorized, no shares issued and outstanding, September 30, 2023 and December 31, 2022			
Common stock, \$0.0001 par value per share; 200,000,000 shares authorized, 8,650,515 issued and outstanding, September 30, 2023; 4,965,901 issued and outstanding, December 31, 2022			
Additional paid-in capital	Additional paid-in capital	192,524	187,571
Accumulated deficit	Accumulated deficit	(182,820)	(172,649)
Accumulated deficit			
Accumulated deficit			
Total stockholders' equity	Total stockholders' equity	9,705	14,922
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$ 17,555	\$ 23,328

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except share and per share data)

	Three Months Ended				Six Months Ended				
	June 30,				June 30,				
	2023	2022	2023	2022					
Three Months Ended						Three Months Ended		Nine Months Ended	
September 30,						September 30,		September 30,	
2023						2023	2022	2023	2022
Revenue:	Revenue:								
Collaboration revenue	Collaboration revenue								
Collaboration revenue	Collaboration revenue								
Collaboration revenue	Collaboration revenue	\$	—	\$	2,471	\$	—	\$	5,036
Total revenue	Total revenue	—		2,471		—		5,036	
Operating expenses:	Operating expenses:								
Research and development expense	Research and development expense	921		6,749		2,902		13,889	
Research and development expense	Research and development expense								
Research and development expense	Research and development expense								
General and administrative expense	General and administrative expense	4,721		3,205		7,279		6,367	
Loss from sale of property and equipment	Loss from sale of property and equipment								
Total operating expenses	Total operating expenses	5,642		9,954		10,181		20,256	
Operating loss	Operating loss	(5,642)		(7,483)		(10,181)		(15,220)	
Other income (expense), net:	Other income (expense), net:								
Changes in fair value of investment in convertible notes receivable	Changes in fair value of investment in convertible notes receivable								
Changes in fair value of investment in convertible notes receivable	Changes in fair value of investment in convertible notes receivable								
Changes in fair value of investment in convertible notes receivable	Changes in fair value of investment in convertible notes receivable								
Dividend income	Dividend income	15		16		32		18	
Interest income	Interest income	13		1		24		3	
Interest expense	Interest expense	—		—		—		(595)	
Other income (expense), net	Other income (expense), net	(150)		(4)		(46)		(24)	

Total other income (expense), net	Total other income (expense), net	(122)	13	10	(598)
Net loss before provision for income taxes	Net loss before provision for income taxes	(5,764)	(7,470)	(10,171)	(15,818)
Provision for income taxes	Provision for income taxes	—	—	—	—
Net loss	Net loss	\$ (5,764)	\$ (7,470)	\$ (10,171)	\$ (15,818)
Basic and diluted loss per common share	Basic and diluted loss per common share	\$ (0.68)	\$ (1.66)	\$ (1.38)	\$ (3.71)
Basic and diluted loss per common share					
Basic and diluted loss per common share					
Weighted-average basic and diluted common shares outstanding	Weighted-average basic and diluted common shares outstanding	8,432,394	4,503,983	7,366,594	4,268,955
Weighted-average basic and diluted common shares outstanding					
Weighted-average basic and diluted common shares outstanding					

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (in thousands, except share and per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Net loss	\$ (5,764)	\$ (7,470)	\$ (10,171)	\$ (15,818)
Other comprehensive (loss), net of taxes				
Unrealized (loss) on available for sale securities, net of tax	—	—	—	(3)
Other comprehensive (loss)	—	—	—	(3)
Comprehensive loss	\$ (5,764)	\$ (7,470)	\$ (10,171)	\$ (15,821)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net loss	\$ (5,256)	\$ (5,160)	\$ (15,427)	\$ (20,978)
Other comprehensive gain, net of taxes				
Unrealized gain on available for sale securities, net of tax	—	4	—	1

Other comprehensive gain	—	4	—	1
Comprehensive loss	\$ (5,256)	\$ (5,156)	\$ (15,427)	\$ (20,977)

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except shares)

		Common Stock		Additional Paid-in Capital		Accumulated Other Comprehensive Loss		Total Stockholders' Equity	
		Shares	\$						
Balance at December 31, 2022		4,965,901	\$—	\$ 187,571	\$ (172,649)	\$ —	\$ —	\$ 14,922	
		Common Stock							
		Common Stock							
		Common Stock							
		Shares							
		Shares							
		Shares							
Balance at January 1, 2023									
Equity-based compensation	Equity-based compensation	—	—	308	—	—	—	308	
Reclassification of common stock warrants to liability	Reclassification of common stock warrants to liability	—	—	(800)	—	—	—	(800)	
Vesting of restricted stock units and related repurchases	Vesting of restricted stock units and related repurchases	5,561	1	(2)	—	—	—	(1)	
Issuance of common stock, net	Issuance of common stock, net	3,400,000	—	4,597	—	—	—	4,597	
Net loss	Net loss	—	—	—	(4,407)	—	—	(4,407)	
Balance at March 31, 2023	Balance at March 31, 2023	8,371,462	\$ 1	\$ 191,674	\$ (177,056)	\$ —	\$ —	\$ 14,619	
Equity-based compensation	Equity-based compensation	—	—	969	—	—	—	969	

Vesting of restricted stock units and related repurchases	Vesting of restricted stock units and related repurchases	276,845	—	(119)	—	—	(119)
Net loss	Net loss	—	—	—	(5,764)	—	(5,764)
Balance at June 30, 2023		8,648,307	\$ 1	\$ 192,524	\$ (182,820)	\$ —	\$ 9,705
Net loss							
Net loss							
Balance at June 30, 2023							
Equity-based compensation							
Vesting of restricted stock units and related repurchases							
Net loss							
Net loss							
Net loss							
Balance at September 30, 2023							

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except shares)

		Common Stock						
				Additional		Accumulated	Total	
		Shares	\$	Paid-in-Capital	Accumulated Deficit	Other Comprehensive Income	Stockholders' Equity	
Balance at December 31, 2021		3,626,073	\$ —	\$ 181,301	\$ (170,067)	\$ (2)	\$	11,232
		Common Stock						
		Shares						
		Shares						
		Shares						
Balance at January 1, 2022								
Exercise of common stock warrants	Exercise of common stock warrants	466,666	—	14	—	—		14
Equity-based compensation	Equity-based compensation	—	—	342	—	—		342

Vesting of restricted stock units and related repurchases	Vesting of restricted stock units and related repurchases	324	—	(1)	—	—	(1)
Other comprehensive loss, net	Other comprehensive loss, net	—	—	—	—	(3)	(3)
Net loss	Net loss	—	—	—	(8,348)	—	(8,348)
Balance at March 31, 2022	Balance at March 31, 2022	4,093,063	\$—	\$ 181,656	\$ (178,415)	\$ (5)	\$ 3,236
Exercise of options	Exercise of options	124	—	1	—	—	1
Equity-based compensation	Equity-based compensation	—	—	507	—	—	507
Vesting of restricted stock units and related repurchases	Vesting of restricted stock units and related repurchases	324	—	(1)	—	—	(1)
Issuance of common stock-ESPP	Issuance of common stock-ESPP	1,351	—	4	—	—	4
Issuance of common stock and warrants	Issuance of common stock and warrants	867,369	—	4,886	—	—	4,886
Net loss	Net loss	—	—	—	(7,470)	—	(7,470)
Net loss							
Net loss							
Balance at June 30, 2022	Balance at June 30, 2022	4,962,231	\$—	\$ 187,053	\$ (185,885)	\$ (5)	\$ 1,163
Equity-based compensation							
Vesting of restricted stock units and related repurchases							
Other comprehensive loss, net							
Net loss							
Balance at September 30, 2022							

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

Six Months Ended June
30,

		2023	2022
Nine Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022
Cash flows from operating activities:	Cash flows from operating activities:		
Net loss	Net loss	\$(10,171)	\$(15,818)
Net loss	Net loss		
Adjustments to reconcile net loss to cash used in operating activities:	Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation and amortization	Depreciation and amortization		
Depreciation and amortization	Depreciation and amortization	479	593
Equity-based compensation	Equity-based compensation	1,277	849
Amortization of long-term debt issuance costs and fees	Amortization of long-term debt issuance costs and fees	—	477
Amortization of right-of-use asset	Amortization of right-of-use asset	364	341
Amortization of investments	Amortization of investments	—	(2)
Other		44	18
Changes in fair value of investment in convertible notes receivable			
Loss from sale of property and equipment			
Changes in operating assets and liabilities:			
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets			
Prepaid expenses and other current assets			

Prepaid expenses and other current assets	Prepaid expenses and other current assets	145	1,999
Other noncurrent assets	Other noncurrent assets	288	24
Accounts payable	Accounts payable	(18)	(1,820)
Accrued expenses	Accrued expenses	(190)	(3,156)
Deferred revenue	Deferred revenue	—	(5,036)
Other liabilities	Other liabilities	(347)	(303)
Net cash used in operating activities	Net cash used in operating activities	(8,129)	(21,834)
Cash flows from investing activities:	Cash flows from investing activities:		
Purchase of available for sale securities		—	(1,499)
Purchase of held to maturity securities		(2,000)	—
Proceeds from sale or maturity of available for sale securities		—	5,000
Purchase of available-for-sale securities			
Purchase of available-for-sale securities			
Purchase of available-for-sale securities			
Proceeds from sale or maturity of available-for-sale securities			
Proceeds from sale or maturity of available-for-sale securities			
Proceeds from sale or maturity of available-for-sale securities			
Capital expenditures	Capital expenditures	—	(10)
Proceeds from sale of capital assets		211	—
Capital expenditures			
Capital expenditures			
Proceeds from sale of property and equipment			
Net cash (used in) provided by investing activities	Net cash (used in) provided by investing activities	(1,789)	3,491

Cash flows from financing activities:	Cash flows from financing activities:		
Repayment of long-term debt	Repayment of long-term debt		
Repayment of long-term debt	Repayment of long-term debt	—	(7,500)
Payment of long-term debt fees and issuance costs	Payment of long-term debt fees and issuance costs	—	(506)
Proceeds from common stock offering	Proceeds from common stock offering	5,440	5,054
Payment of common stock financing costs	Payment of common stock financing costs	(843)	(154)
Payment of exercise of common stock warrants	Payment of exercise of common stock warrants	(800)	—
Proceeds from issuance of employee stock purchase plan	Proceeds from issuance of employee stock purchase plan	—	4
Proceeds from exercise of common stock warrants	Proceeds from exercise of common stock warrants	—	1
Proceeds from exercise of common stock options			
Payments for minimum statutory tax withholding related to net share settlement of equity awards	Payments for minimum statutory tax withholding related to net share settlement of equity awards	(121)	(2)
Net cash provided by (used in) provided by financing activities	Net cash provided by (used in) provided by financing activities	3,676	(3,103)
Net (decrease) in cash, cash equivalents, and restricted cash		(6,242)	(21,446)
Net decrease in cash, cash equivalents, and restricted cash			
Net decrease in cash, cash equivalents, and restricted cash			
Net decrease in cash, cash equivalents, and restricted cash			

Cash, cash equivalents, and restricted cash - beginning of period	Cash, cash equivalents, and restricted cash - beginning of period	9,777	43,844
Cash, cash equivalents, and restricted cash - end of period	Cash, cash equivalents, and restricted cash - end of period	\$ 3,535	\$ 22,398

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in thousands)

	Nine Months Ended September 30,	
	2023	2022
Supplemental disclosure of cash flow information		
Non-cash investing activities:		
Other receivable from sale of property and equipment	\$ 711	\$ —

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the unaudited condensed consolidated balance sheets that sum to the total of the amounts shown in the unaudited condensed consolidated statements of cash flows:

		December	
		June 30,	31,
		2023	2022
September 30,		September 30,	
2023		2023	
		December 31,	
		2022	
Cash and cash equivalents	Cash and cash equivalents	\$2,335	\$ 8,577
Restricted cash included in other noncurrent assets	Restricted cash included in other noncurrent assets	1,200	1,200
Total cash, cash equivalents, and restricted cash shown in the unaudited condensed consolidated statements of cash flows	Total cash, cash equivalents, and restricted cash shown in the unaudited condensed consolidated statements of cash flows	\$3,535	\$ 9,777

See accompanying notes to the unaudited condensed consolidated financial statements.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Description of Business, and Basis of Presentation and Going Concern

Description of Business

Exicure, Inc. has historically been an early-stage biotechnology company focused on developing nucleic acid therapies targeting ribonucleic acid against validated targets. In September 2022, the Company announced a significant reduction in force, suspension of preclinical activities and halting of all research and development, and that the Company was exploring strategic alternatives to maximize stockholder value. While the foregoing efforts are continuing with respect to the Company's historical assets, the Company does not expect they will generate significant value for stockholders, at least in the near term. Therefore, the Company is engaging in a broader exploration of strategic alternatives. This effort involves exploring growth through transactions with potential partners that see opportunity in joining an existing, publicly-traded organization. The Company is exploring transactions in industries unrelated to its historical operations.

Throughout these unaudited condensed consolidated financial statements, the terms the "Company," and "Exicure" refer to Exicure, Inc. and where appropriate, its wholly owned subsidiary, Exicure Operating Company. Exicure Operating Company holds all material assets and conducts all business activities and operations of Exicure, Inc.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements as of June 30, 2023 September 30, 2023 and December 31, 2022, and for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, have been presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and with instructions to Form 10-Q and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Exicure and its wholly owned subsidiary, Exicure Operating Company. All intercompany transactions and accounts are eliminated in consolidation.

Unaudited Interim Financial Information

The accompanying interim condensed consolidated balance sheet as of September 30, 2023, the interim condensed consolidated statements of operations for the three and nine months ended September 30, 2023 and 2022, the interim condensed consolidated statements of comprehensive loss for the three and nine months ended September 30, 2023 and 2022, the interim condensed consolidated statements of changes in stockholders' equity for the three and nine months ended September 30, 2023 and 2022, and the interim condensed consolidated statements of cash flows for the nine months ended September 30, 2023 and 2022 are unaudited. The interim unaudited condensed consolidated financial statements have been prepared on the same basis as the annual audited financial statements and with instructions to Form 10-Q and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended; and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the Company's financial position as of September 30, 2023, the results of its operations for the three and nine months ended September 30, 2023 and 2022, and the results of its cash flows for the nine months ended September 30, 2023 and 2022. The financial data and other information disclosed in these notes related to the nine months ended September 30, 2023 and 2022 are unaudited. The results for the nine months ended September 30, 2023 are not necessarily indicative of results to be expected for the year ending December 31, 2023, or any other interim periods, or any future year or period. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2022, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 27, 2023.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Going Concern

At each reporting period, the Company evaluates whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern for a period of one year after the date that the financial statements are issued. The Company is required to make certain additional disclosures if it concludes substantial doubt exists and it is not alleviated by the Company's plans or when its plans alleviate substantial doubt about the Company's ability to continue as a going concern.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Company will continue as a going concern for a period of one year after the date that the financial statements are issued. As of June 30, 2023 September 30, 2023, the Company has generated an accumulated deficit of \$201,657 \$206,913, including \$18,837 of additional paid-in capital reclassified to accumulated deficit upon C-corporation conversion, since inception and expects to incur significant expenses and negative cash flows for the foreseeable future. As of June 30, 2023 September 30, 2023, the Company's cash and cash equivalents were \$2,335, \$922. Management believes that, given the Company's current cash position, operating plans and forecasted negative cash flows from operating activities over the next twelve months, there is substantial doubt about the Company's ability to continue as a going concern within one year after the date these financial statements are issued. Substantial additional financing will be needed by the Company to fund its operations.

Management believes that the Company's existing cash and cash equivalents will are insufficient to continue to fund its operating expenses into and additional funding is needed in the fourth quarter of 2023. However, this estimate is based on assumptions about how the Company can limit spending that may prove to be wrong. It is very difficult to project the Company's current cash burn rate given the transitional status of the Company and this estimate may prove inaccurate. Depending on the direction of the

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

Company's review of strategic alternatives, the Company may use available resources sooner than management currently expects. **near term**. The Company has already engaged in significant cost reductions, so our ability to further cut costs and extend the Company's operating runway is limited. As a result, substantial additional financing will be needed by the Company **within in the next few months very near term** to pay expenses, fund the ongoing exploration of strategic alternatives and pursue any alternatives that may be identified. **The Company seeks to raise capital in the third quarter of 2023 to fund its operations through 2024.** There can be no assurance that such additional financing will be available and, if available, can be obtained on acceptable terms.

The accompanying unaudited condensed consolidated financial statements have been prepared as though the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Unaudited Interim Financial Information

2. Significant Accounting Policies

The accompanying interim condensed consolidated balance sheet as of June 30, 2023, **Company's significant accounting policies are disclosed in the interim condensed consolidated statements of operations for the three and six months ended June 30, 2023 and 2022, the interim condensed consolidated statements of comprehensive loss for the three and six months ended June 30, 2023 and 2022, the interim condensed consolidated statements of changes in stockholders' equity for the three and six months ended June 30, 2023 and 2022, and the interim condensed consolidated statements of cash flows for the six months ended June 30, 2023 and 2022 are unaudited. The interim unaudited condensed audited consolidated financial statements have been prepared on and the same basis as the annual audited financial statements; and notes thereto, which are included in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of in the Company's financial position as of June 30, 2023, the results of its operations for the three and six months ended June 30, 2023 and 2022, and the results of its cash flows for the six months ended June 30, 2023 and 2022. The financial data and other information disclosed in these notes related to the six months ended June 30, 2023 and 2022 are unaudited. The results for the six months ended June 30, 2023 are not necessarily indicative of results to be expected Annual Report on Form 10-K for the year ending December 31, 2023 ended December 31, 2022 filed with the SEC on March 27, 2023, or any other interim periods, or any future year or period, as amended by Amendment No. 1 filed with the SEC on May 1, 2023 (the "Annual Report"). Since the date of those audited consolidated financial statements, there have been no material changes to the Company's significant accounting policies, except for the investment in convertible notes receivable.**

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on certain assumptions which it believes are reasonable in the circumstances and while actual results could differ from those estimates, management does not believe that any change in those assumptions in the near term would have a significant effect on the Company's financial position, results of operations or cash flows. Actual results in future periods could differ from those estimates.

2. Significant Accounting Policies

The Company's significant accounting policies are disclosed in the audited consolidated financial statements and the notes thereto, which are included in the in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the U.S. Securities and Exchange Commission ("SEC") on March 27, 2023, as amended by Amendment No. 1 filed with the SEC on May 1, 2023 (the "Annual Report"). Since the date of those audited consolidated financial statements, there have been no material changes to the Company's significant accounting policies.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

Securities Investment in Convertible Notes Receivable

In May 2023, Securities are classified as current or noncurrent based on the Company entered into two subscription agreements purchase non-guaranteed private placement convertible bonds (the "Bonds") for a subscription amount of \$1 million each. The Bonds mature in May 2026 and the yield to maturity is 4.5% per annum. The Company will also have the put option to redeem part or the entire principal amount remaining contractual maturities of the Bonds on the first anniversary after the issue date and every three months thereafter before the maturity date. The conversion ratio will be one hundred percent (100%) of the Bond's face value

These securities securities. Securities are designated by the Company as "held-to-maturity" (HTM) at the point of investment. As of June 30, 2023, these marketable securities investment, as either trading, AFS, or held by to maturity. Under ASC 825, Financial Instruments, the Company had remaining contractual maturities elected the fair value option for all outstanding convertible notes receivable. Management evaluates the performance of more than one year. HTM the securities on a fair value basis. Under the fair value option, the notes receivable are valued on measured at each reporting period based upon their exit value in an amortized cost basis orderly transaction and reviewed to determine if an allowance for credit unrealized gains or losses should be from changes in fair value are recorded in the statements Condensed Consolidated Statements of operations. Operations.

Investment in convertible notes receivable at fair value totaled \$0 as of September 30, 2023. As of September 30, 2023, the aggregate cost of the investment in convertible notes receivable accounted for under the fair value option was \$0, which included principal balances of \$2,000 and the change in fair value of \$2,000.

Recent Accounting Pronouncements Adopted

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326) ("ASU 2016-13"). This ASU 2016-13 is a new standard intended to improve reporting requirements specific to loans, receivables and other financial instruments. ASU 2016-13 requires that changes how entities will measure credit losses on for most financial assets and certain other instruments that are not measured at fair value through net income. The standard replaces the "incurred loss" approach with an "expected loss" model. The new model, referred to as the current expected credit loss ("CECL") model, will apply to: (1) financial assets subject to credit losses and measured at amortized cost, be determined using and (2) certain off-balance sheet credit exposures. ASU 2016-13 also expands the disclosure requirements regarding an expected loss model, instead of entity's assumptions, models, and methods for estimating the current incurred loss model, and requires that credit losses related to available-for-sale and HTM debt securities be recorded through an allowance for credit losses and limited to the amount by which carrying value exceeds fair value. losses. ASU 2016-13 also requires enhanced disclosure of credit risk associated with financial assets. The effective date of ASU No. 2016-13 was deferred by ASU 2019-10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)—Effective Dates to effective for the annual period Company beginning after December 15, 2022 for companies that (i) meet the definition of an SEC filer and (ii) are eligible as "smaller reporting companies" as such term is defined by the SEC, with early adoption permitted. on January 1, 2020. The Company adopted this ASU in January 2023, there 2023. There was no material impact on the condensed consolidated financial statements.

3. Supplemental Balance Sheet Information

Prepaid expenses and other current assets

		June 30, 2023	December 31, 2022
September 30, 2023		September 30, 2023	
		December 31, 2022	
Prepaid clinical, contract research and manufacturing costs	Prepaid clinical, contract research and manufacturing costs	\$ —	\$ 213
Prepaid insurance	Prepaid insurance	628	408
Prepaid franchise tax			
Lease costs			
Other	Other	701	853
Prepaid expenses and other current assets	Prepaid expenses and other current assets	\$1,329	\$ 1,474

Other noncurrent assets

		June 30, 2023	December 31, 2022
September 30, 2023		September 30, 2023	
		December 31, 2022	
Restricted cash	Restricted cash	\$1,200	\$ 1,200
Prepaid insurance	Prepaid insurance	1,999	2,252
Held to maturity securities		2,000	—
Other			
Other			
Other	Other	3	38
Other noncurrent assets	Other noncurrent assets	\$5,202	\$ 3,490

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Property and equipment, net

		June 30, 2023	December 31, 2022
September 30, 2023		September 30, 2023	December 31, 2022
Scientific equipment	Scientific equipment	\$5,265	\$ 6,087
Computers and software	Computers and software	63	63
Furniture and fixtures	Furniture and fixtures	30	30
Property and equipment, gross	Property and equipment, gross	5,358	6,180
Property and equipment, gross			
Property and equipment, gross			
Less: accumulated depreciation and amortization	Less: accumulated depreciation and amortization	(3,562)	(3,650)
Property and equipment, net	Property and equipment, net	\$1,796	\$ 2,530

Depreciation and amortization expense was \$479 \$627 and \$593 \$882 for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. During the six nine months ended June 30, 2023 September 30, 2023, the Company sold scientific equipment with a net book value of \$255 \$1,834 and recognized a loss of \$44 \$920 included in other income (expense) in the accompanying statement of operations for the six nine months ended June 30, 2023 September 30, 2023.

Accrued expenses and other current liabilities

		June 30, 2023	December 31, 2022
September 30, 2023		September 30, 2023	December 31, 2022
Accrued clinical, contract research and manufacturing costs	Accrued clinical, contract research and manufacturing costs	\$ —	\$ 48
Accrued restructuring costs	Accrued restructuring costs	—	48
Lease liability	Lease liability	580	539
Accrued payroll-related expenses	Accrued payroll-related expenses	16	32
Accrued federal and state tax payable	Accrued federal and state tax payable	—	209

Accrued other expenses	Accrued other expenses	492	402
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	\$1,088	\$ 1,278

4. Leases

The Company's lease arrangements at **June 30, 2023** **September 30, 2023** consist of (i) a lease for office and laboratory space at its headquarters in Chicago, Illinois that commenced in July 2020 (the "Chicago Lease") and (ii) a lease for office equipment (the "Office Equipment Lease"). The Chicago Lease and the Office Equipment Lease are classified as operating leases.

Chicago Lease

The Company has approximately thirty thousand square feet of office and laboratory space in Chicago, Illinois. The original term (the "Original Term") of the Chicago Lease is 10 years, commencing on July 1, 2020 (the "Commencement Date"), which is the date the premises were ready for occupancy under the terms of the Chicago Lease. The Company has options to extend the term of the Chicago Lease for two additional successive periods of five years each (the "Extension Periods") at the then prevailing effective market rental rate.

The initial annual base rent during the Original Term is approximately \$1,113 for the first 12-month period of the Original Term, payable in monthly installments beginning on the Commencement Date. Base rent thereafter is subject to annual increases of 3%, for an aggregate amount of \$12,761 over the Original Term. The Company must also pay its proportionate share of certain operating expenses and taxes for each calendar year during the term. During the first 12-month period of the Original Term, the base rent and the Company's proportionate share of **operating expenses and taxes were subject to certain abatements**.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

operating expenses and taxes were subject to certain abatements.

The following table summarizes lease costs in the Company's unaudited condensed consolidated statement of operations:

		Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022
Three Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Operating lease costs	Operating lease costs	\$326	\$326	\$652	\$ 652
Variable lease costs	Variable lease costs	(19)	505	313	846
Short term lease costs	Short term lease costs	—	1	—	15
Total lease costs	Total lease costs	\$307	\$832	\$965	\$1,513

The Company made cash payments for operating leases **\$860** **\$1,379** and **\$1,703** **\$2,364** during the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively.

Sublease of Office Space

The Company entered into a sublease agreement with Cyclopure, Inc. (the "Subtenant") to sublease approximately 57% of its office space pursuant to that certain sublease agreement (the "Sublease Agreement"), dated as of May 4, 2023. The term of the Sublease Agreement began on May 15, 2023 and ends on June 30, 2030, the expiration date of

the Chicago Lease. The first three months under the Sublease Agreement are rent free. Beginning August 15, 2023, the Company **will charge** **began charging** the Subtenant for 57% of the base rent under the Chicago Lease, and the subtenant is responsible for its pro rata share of operating expenses and taxes payable.

The following table summarizes sublease receipts in the Company's unaudited condensed consolidated statement of operations:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023		2023	
Sublease receipts	\$	179	\$	179
Total	\$	179	179,000	\$ 179

5. Securities Investment in Convertible Notes Receivable

In May 2023, the Company entered into two subscription agreements to purchase non-guaranteed private placement convertible bonds (the "Bonds") for a subscription amount of \$1 million each. The Bonds mature in May 2026 and the yield to maturity is 4.5% per annum. The Company has the option to request that the issuer redeem part or the entire principal amount of the Bonds on the first anniversary after the issue date and every three months thereafter before the maturity date. The conversion ratio will be one hundred percent (100%) of the Bond's face value. The Company also has the ability to convert the debt into shares based on the number of shares computed by dividing the face value of each security by a calculated conversion price, which is subject to adjustment provisions, determined at the time of issuance. The securities may be converted from May 3, 2024, the first anniversary of the issue date of the first agreement, to April 15, 2026, one month prior to the maturity date to the second agreement. In March 2024, the Company notified the issuer of the Bonds that it was exercising its redemption right with respect to the entire principal amount of the Bonds after the first anniversary of their issue dates (May 3 and May 16, 2024, respectively) for an aggregate redemption price of \$2.090 million (representing the principal amount plus 4.5% per annum yield to the redemption date).

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

The Company's marketable Company's debt securities are classified as held-to-maturity (HTM) AFS pursuant to ASC 320 - Investments - Debt Securities. HTM AFS securities are valued recorded at amortized cost. The following tables summarize the valuations fair value. As of HTM securities as September 30, 2023, management does not believe these AFS investments are recoverable and booked a change in fair value to record them at a fair value of June 30, 2023, \$0. The Company held no HTM AFS debt securities as of December 31, 2022.

	Amortized Cost	Credit Losses	Estimated Fair Value
Corporate bonds	\$ 2,000	\$ —	\$ 2,000
Total	\$ 2,000	\$ —	\$ 2,000

6. Stockholders' Equity

Preferred Stock

As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company had 10,000,000 shares of preferred stock, par value \$0.0001 authorized and no shares issued and outstanding.

Common Stock

As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company had authorized 200,000,000 shares of common stock, par value \$0.0001. As of June 30, 2023 September 30, 2023 and December 31, 2022, the Company had 8,648,307 8,650,515 shares and 4,965,901 shares issued and outstanding, respectively.

The holders of shares of the Company's common stock are entitled to one vote per share on all matters to be voted upon by the Company's stockholders and there are no cumulative rights. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of shares of the Company's common stock are entitled to

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

receive ratably any dividends that may be declared from time to time by the Board of Directors (the "Board") out of funds legally available for that purpose. In the event of the Company's liquidation, dissolution or winding up, the holders of shares of the Company's common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock then outstanding. The Company's common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the Company's common stock. The outstanding shares of the Company's common stock are fully paid and non-assessable.

September 2022 PIPE (Private Investment in Public Equity)

Securities Purchase Agreement

On September 26, 2022, the Company entered into a securities purchase agreement (the "September 2022 Securities Purchase Agreement") with CBI USA, Inc. ("CBI USA"), pursuant to which the Company agreed to issue and sell to CBI USA in a private placement an aggregate of 3,400,000 shares (the "September 2022 PIPE Shares") of its common stock, par value \$0.0001 per share (the "Common Stock"), Common Stock, at a purchase price of \$1.60 per share (the "September 2022 PIPE").

share. The September 2022 PIPE private placement closed on February 24, 2023 (the "September 2022 PIPE Closing Date"). As a result of the closing of the September 2022 PIPE, CBI USA is the beneficial owner of approximately 50.4% of the Company's outstanding shares. Pursuant to the board designation rights of CBI USA, CBI USA designated three members to the Company's board of directors.

In February 2023, the Company received gross proceeds of \$5,440 from the September 2022 PIPE (or net proceeds of \$4,597 after transaction expenses).

CBI USA funded the acquisition pursuant to the Securities Purchase Agreement through a loan from its affiliate, DGP Co., Ltd. ("DGP"). On June 23, 2023, DGP exercised its option pursuant to the loan and acquired the 3,400,000 shares of Common Stock initially acquired by CBI USA pursuant to the Securities Purchase Agreement. DGP subsequently agreed to sell its shares to a third party, with the closing of 10% (340,000 shares) occurring in February 2024 and the remainder to close by or on June 30, 2024.

The Securities Purchase Agreement, as confirmed and clarified by that certain letter agreement, dated October 31, 2022, between the Company and CBI USA, provided CBI USA together with its affiliates and any "group" of which it or they are a member with the right to designate directors to the Company's board of directors in proportion to the ownership of CBI USA and its affiliates and any such group. CBI USA and DGP have announced they expect to exercise such rights as a group. Together, they beneficially own 45% of the outstanding shares of Common Stock based on their most recent Schedule 13D amendment. As noted above, DGP has entered into an agreement to sell its remaining shares to a third party by or on June 30, 2024.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

September 2022 Registration Rights Agreement

In connection with the September 2022 PIPE, on September 26, 2022, Securities Purchase Agreement, the Company entered into a registration rights agreement (the "September 2022 Registration Rights Agreement") with CBI USA pursuant to the "Registration Rights Agreement". CBI USA assigned its rights under the Registration Rights Agreement to which DGP when DGP acquired the Company agreed 3,400,000 shares of Common Stock initially sold to register CBI USA. Pursuant to the resale of the September 2022 PIPE Shares. Under the September 2022 Registration Rights Agreement, the Company has agreed to file a registration statement covering the resale of the September 2022 PIPE Shares no later than shares of Common Stock sold pursuant to the sixtieth (60th) day following the September 2022 PIPE Closing Date. The Company has agreed Securities Purchase Agreement, to use reasonable best efforts to cause such registration statement to become effective as promptly as practicable, after the filing thereof but in any event on or prior to the Effectiveness Deadline (as defined in the September 2022 Registration Rights Agreement), and to keep such registration statement continuously effective until the earlier of (i) the date the September 2022 PIPE Shares covered by such registration statement have been sold or may be resold pursuant to Rule 144 without restriction, or (ii) the date that is two (2) years following the September 2022 PIPE Closing Date. The Company has also agreed, among other things,

In the event the registration statement was not filed within 90 days following the Closing Date, subject to pay all reasonable fees and expenses (excluding any underwriters' discounts and commissions and all fees and expenses of legal counsel, accountants and other advisors for CBI USA except as specifically provided in the September 2022 Registration Rights Agreement) incident to the performance of or compliance with the September 2022 Registration Rights Agreement by the Company.

Pursuant to the 2022 Registration Rights Agreement, certain limited exceptions, the Company paid a pro rata payment of \$27 agreed to CBI USA in the second quarter of 2023 make payments as liquidated damages in an amount equal to 0.5% of the aggregate amount invested by CBI USA in the September 2022 PIPE Shares for failure shares of Common Stock pursuant to file a registration statement within 90 days following the September 2022 PIPE Closing Date. Additionally, payments may be required Securities Purchase Agreement per 30-day period or pro rata for any portion thereof for each such month during which such event continues, subject to certain caps set forth in the September 2022 Registration Rights Agreement.

The Company has granted We have paid \$27 to CBI USA customary indemnification rights in connection with the registration statement. CBI USA has also granted the Company customary indemnification rights in connection with the registration statement.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

accrued \$82 to DGP pursuant to this provision.

May 2022 PIPE

Securities Purchase Agreement

On May 9, 2022, the Company entered into a securities purchase agreement (the "May 2022 Securities Purchase Agreement") with certain accredited investors (the "Investors"), pursuant to which the Company agreed to issue and sell to the Investors in a private placement an aggregate of 867,369 shares (the "May 2022 PIPE Shares") of the Company's Common Stock, par value \$0.0001 per share, at a purchase price of \$5.81 per share (the "May 2022 PIPE"). The May 2022 PIPE closed on May 18, 2022 (the "May 2022 PIPE Closing Date"). The Company received aggregate net proceeds from the May 2022 PIPE of approximately \$4,886 after deducting transaction-related expenses.

Pursuant to the May 2022 Securities Purchase Agreement, in connection with the May 2022 PIPE, CBI USA will have the right to nominate a member to the Board, subject to the approval by the Board and provided such nominee qualifies as an "independent" director under Nasdaq Listing Rule 5605(a)(2), effective as of the May 2022 PIPE Closing Date. CBI USA will also have the right, effective as of the May 2022 PIPE Closing Date, to designate one individual to attend all meetings of the Board in a non-voting observer capacity.

Registration Rights Agreement

Also, on May 9, 2022, the Company entered into a registration rights agreement (the "May 2022 Registration Rights Agreement") with the Investors, pursuant to which the Company agreed to register the resale of the May 2022 PIPE Shares. Under the May 2022 Registration Rights Agreement, the Company agreed to file a registration statement covering the resale of the Shares no later than July 18, 2022. On July 11, 2022, the Company filed a registration statement on Form S-3 with the SEC for the resale of the Shares and caused the registration statement to become effective on July 20, 2022.

The Company has granted the Investors customary indemnification rights in connection with the registration statement. The Investors have also granted the Company customary indemnification rights in connection with the registration statement.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Registered Direct Offering

On December 16, 2021, the Company completed a securities purchase agreement (the "Purchase Agreement") with certain institutional purchasers (the "Purchasers") entered into on December 14, 2021, pursuant to which the Company offered to the Purchasers, in a registered direct offering priced at-the-market consistent with the rules of Nasdaq (the "Registered Direct Offering"), (i) an aggregate of 433,553 shares (the "Shares") of the Company's common stock, \$0.0001 par value per share, (ii) pre-funded warrants to purchase up to an aggregate of 718,981 shares of Common Stock (the "Pre-Funded Warrants"), and (iii) warrants to purchase up to 576,261 shares of Common Stock (the "Warrants"). The combined purchase price of each share of Common Stock and accompanying Warrant is \$9.9780 per share. The combined purchase price of each Pre-Funded Warrant and accompanying Warrant is \$9.9480 (equal to the combined purchase price per share of Common Stock and accompanying Warrant, minus \$0.03). The per share exercise price for the Warrants is \$8.1031, the closing bid price of the Company's Common Stock on December 13, 2021 (and as adjusted for the reverse stock split referenced in Note 1). The Warrants will be exercisable immediately from the closing December 16, 2021, and will expire on the five-year anniversary of the date of issuance, or December 16, 2026. The Pre-Funded Warrants and Warrants, which met equity classification, were recognized as a component of permanent stockholders' equity within additional paid-in-capital together with the net proceeds from the Registered Direct Offering. The gross proceeds to the Company from the Registered Direct Offering (excluding effect of subsequent exercises of pre-funded warrants) were \$11,478 and net proceeds after deducting the placement agent's fees and other offering expenses paid or payable by the Company were \$10,226. The securities were offered by the Company pursuant to an effective shelf registration statement on Form S-3 (File No. 333-251555) previously filed with the Securities and Exchange Commission (the "SEC") on December 21, 2020, and which was declared effective by the SEC on January 7, 2021 (the "Registration Statement").

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Each Warrant is exercisable for one share of Common Stock at an exercise price of \$8.1031 per share. The Warrants are immediately exercisable as of the date of issuance of December 16, 2021 and will expire on the five-year anniversary of the date of issuance, or December 16, 2026. The Pre-Funded Warrants were offered in lieu of shares of Common Stock to one of the Purchasers whose purchase of shares of Common Stock in the Registered Direct Offering would otherwise result in said Purchaser, together with its affiliates and certain related parties, beneficially owning more than 4.99% (or, at the election of the Purchaser, 9.99%) of the Company's outstanding Common Stock immediately following the consummation of the Registered Direct Offering. Each Pre-Funded Warrant is exercisable for one share of Common Stock at an exercise price of \$0.030 per share. The Pre-Funded Warrants are immediately exercisable and may be exercised at any time until all of the Pre-Funded Warrants are exercised in full.

A holder (together with its affiliates) of the Warrant or Pre-Funded Warrant may not exercise any portion of the Warrant or Pre-Funded Warrant, as applicable, to the extent that the holder would own more than 4.99% (or, at the holder's option upon issuance, 9.99%) of the Company's outstanding Common Stock immediately after exercise, as such percentage ownership is determined in accordance with the terms of the Warrant or Pre-Funded Warrant, as applicable. In lieu of making the cash payment otherwise contemplated to be made to the Company upon exercise of a Warrant in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of shares of Common Stock determined according to a formula set forth in the Warrants, provided that such cashless exercise shall only be permitted if the Registration Statement is not effective at the time of such exercise or if the prospectus to which the Registration Statement is a part is not available for the issuance of shares of Common Stock to the Warrant holder.

In lieu of making the cash payment otherwise contemplated to be made to the Company upon exercise of a Pre-Funded Warrant in payment of the aggregate exercise price, the holder may elect instead to receive upon such exercise (either in whole or in part) the net number of shares of Common Stock determined according to a formula set forth in the Pre-Funded Warrants.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Common Stock Warrants

In January 2022, Pre-Funded Warrants were exercised for a total exercise price of \$14, resulting in the issuance of 466,666 shares of common stock. As of **June 30, 2023** **September 30, 2023**, there are no unexercised pre-funded warrants that are outstanding.

Warrants to purchase 576,261 shares of common stock at a price of \$8.1031 per share were acquired in the December 2021 registered-direct offering transaction. The warrants were classified as equity. As a result of the closing of the September 2022 PIPE, a warrant holder elected to exercise their option within 30 days of the closing of the September 2022 PIPE (February 24, 2023) to receive a cash payout for the outstanding warrants in the amount of the Black-Scholes value of each warrant as prescribed in the warrant agreement. The Company paid \$800 to this warrant holder on June 23, 2023 and 526,151 were settled as a result. As of **June 30, 2023** **September 30, 2023**, warrants to purchase 50,110 shares of common stock at a price of \$8.1031 per share that were acquired in the December 2021 registered-direct offering transaction remain outstanding.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

7. Equity-Based Compensation

2017 Equity Incentive Plan

On September 22, 2017, the Company's stockholders approved the Exicure, Inc. 2017 Equity Incentive Plan (the "2017 Plan"), which became effective on November 15, 2017. The 2017 Plan provides for the issuance of incentive awards of up to 194,750 shares of Exicure common stock, which includes 72,330 shares of Exicure common stock to be issued to officers, employees, consultants and directors, plus a number of shares not to exceed 122,793 that are subject to issued and outstanding awards under the Exicure OpCo 2015 Equity Incentive Plan (the "2015 Plan") and were assumed in the merger transaction on September 26, 2017. Awards that may be awarded under the 2017 Equity Incentive Plan include non-qualified and incentive stock options, stock appreciation rights, bonus shares, restricted stock, restricted stock units, performance units and cash-based awards. The number of shares of common stock reserved for issuance under the 2017 Equity Incentive Plan automatically increases on January 1 of each year, beginning on January 1, 2020, by the lesser of (i) 153,333 shares, (ii) 5% of the total number of shares of its capital stock outstanding on December 31 of the preceding calendar year, or (iii) a lesser number of shares determined by the Compensation Committee of the Board (the "Compensation Committee"). No future awards will be made under the 2015 Plan upon the effectiveness of the 2017 Plan. On January 1, 2023, pursuant to the terms of the 2017 Plan, the number of awards that are reserved and may be awarded under the 2017 Plan was automatically increased by 153,333 awards.

As of **June 30, 2023** **September 30, 2023**, the aggregate number of equity awards available for grant under the 2017 Equity Incentive Plan was **574,302** **454,360**.

Awards granted under the 2017 Plan are contingent on the participants' continued employment or provision of non-employee services and are subject to forfeiture if employment or continued service terminates for any reason. The initial award granted to an employee or consultant generally vests 25% on the first 12-month anniversary of the grant date and vests 1/48th monthly thereafter until fully vested at the end of 48 months. Subsequent awards granted to employees or consultants generally vest 1/48th monthly until fully vested at the end of 48 months. The initial stock option grant to a non-employee director vests 1/36th monthly until fully vested at the end of 36 months. Subsequent stock option grants to a non-employee director vests 1/12th monthly until fully vested at the end of 12 months. The term of common stock option grants is 10 years unless terminated earlier as described above.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Employee Stock Purchase Plan

The 2017 Employee Stock Purchase Plan (the "ESPP") was adopted by the Board in September 2017 and approved by the Company's stockholders in September 2017. Through the ESPP, eligible employees may authorize payroll deductions of up to 15% of their compensation to purchase common stock. The maximum number of shares that an employee may purchase on any exercise date in an offer period will be the smaller of (i) 250 shares or (ii) such number of shares as has a fair market value (determined as of the offering date for such offer period) equal to \$25,000 within one calendar year minus the fair market value of any other shares of common stock that are attributed to such calendar year. The purchase price per share at each purchase date is equal to 85% of the lower of (i) the closing market price per share of Exicure common stock on the employee's offering date or (ii) the closing market price per share of Exicure common stock on the exercise date.

The ESPP provides that the number of shares reserved and available for issuance will automatically increase each January 1, beginning on January 1, 2018 and each January 1 thereafter through January 1, 2027, by the least of (i) 10,000 shares; (ii) 0.3% of the outstanding shares of common stock on the last day of the immediately preceding calendar year; or (iii) a lesser number of shares determined by the Board. On January 1, 2023, the number of shares of common stock available for issuance under the ESPP increased by 10,000 shares. As of **June 30, 2023** **September 30, 2023**, there were 51,971 shares available for issuance under the ESPP.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Equity-based compensation expense is classified in the statements of operations as follows:

		Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022	2023	2022
Three Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Research and development expense	Research and development expense	\$ 8	\$171	\$ 162	\$330
General and administrative expense	General and administrative expense	961	336	1,115	519
		<u>\$969</u>	<u>\$507</u>	<u>\$1,277</u>	<u>\$849</u>
	\$				

Unamortized equity-based compensation expense at **June 30, 2023** **September 30, 2023** was **\$532**, **\$586**, which is expected to be amortized over a weighted-average period of **1.8** **1.9** years.

The Company utilizes the Black-Scholes option-pricing model to determine the fair value of common stock option grants. The Black-Scholes option-pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model also requires the input of highly subjective assumptions. The following table presents the assumptions used in the Black-Scholes option-pricing model for stock options granted during the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022:

		Six Months Ended June 30,	Six Months Ended June 30,		
		2023	2022		
Nine Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022
Expected term	Expected term	5.8 to 5.8 years	5.3 to 6.1 years	Expected term	5.8 to 5.8 years
Risk-free interest rate	Risk-free interest rate	3.83% to 3.83%; weighted avg. 3.83%	2.86% to 3.56%; weighted avg. 2.91%	Risk-free interest rate	3.83% to 3.83%; weighted avg. 3.83%
Expected volatility	Expected volatility	100.9% to 100.9%; weighted avg. 100.9%	95.2% to 95.8%; weighted avg. 95.2%	Expected volatility	100.9% to 100.9%; weighted avg. 100.9%
Forfeiture rate	Forfeiture rate	5 %	5 %	Forfeiture rate	5 %
Expected dividend yield	Expected dividend yield	— %	— %	Expected dividend yield	— %

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

The expected term is based upon the "simplified method" as described in Staff Accounting Bulletin Topic 14.D.2. Currently, the Company does not have sufficient experience to provide a reasonable estimate of an expected term of its common stock options. The Company will continue to use the "simplified method" until there is sufficient experience to provide a more reasonable estimate in conformance with ASC 718-10-30-25 through 30-26. The risk-free interest rate assumptions were based on the U.S. Treasury bond rate appropriate for the expected term in effect at the time of grant. For stock options granted after December 31, 2021, the expected volatility is based on the volatility of shares of the Company. For stock options granted prior to January 1, 2022, the expected volatility is based on calculated enterprise value volatilities for publicly traded companies in the same industry and general stage of development. The estimated forfeiture rates were based on historical experience for similar classes of employees. The dividend yield was based on expected dividends at the time of grant.

The fair value of the underlying common stock and the exercise price for the common stock options granted during the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022 are summarized in the table below.

Common Stock Options Granted During Period Ended:	Fair Value of Underlying Common Stock	Exercise Price of Common Stock Option
Six Nine months ended June 30, 2023 September 30, 2023	\$1.58; weighted avg. \$1.58	\$1.58; weighted avg. \$1.58
Six Nine months ended June 30, 2022 September 30, 2022	\$3.46 to \$5.51; weighted avg. \$4.56	\$3.46 to \$5.51; weighted avg. \$4.56

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

The weighted-average grant date fair value of common stock options granted in the **six nine** months ended **June 30, 2023** **September 30, 2023** was \$1.26 per common stock option.

A summary of common stock option activity as of the periods indicated is as follows:

		Weighted-Average							
		Weighted-Average	Remaining	Aggregate					
		Exercise	Term	Intrinsic					
		Price ⁽¹⁾	(years)	Value					
Options				(thousands)					
Options		Weighted-Average Exercise Price ⁽¹⁾		Weighted-Average Remaining Contractual Term (years)		Aggregate Intrinsic Value (thousands)			
Outstanding - December 31, 2022	Outstanding - December 31, 2022	222,833	\$ 4.74	7.5	\$	—			
Granted	Granted	10,000	1.58						
Exercised	Exercised	—	—						
Exercised									
Exercised									
Forfeited									
Forfeited	Forfeited	(65,927)	5.40						
Outstanding - June 30, 2023		<u>166,906</u>	\$ 4.28	6.1	\$	—			
Exercisable - June 30, 2023		<u>161,763</u>	\$ 4.26	6.1	\$	—			
Vested and Expected to Vest - June 30, 2023		166,671	\$ 4.28	6.1	\$	—			
Outstanding - September 30, 2023									

Outstanding - September 30, 2023
Outstanding - September 30, 2023
Exercisable -
September 30, 2023
Vested and Expected to Vest - September 30, 2023

(1) On March 24, 2022, the Company's Board of Directors unanimously approved the repricing of all outstanding and unexercised stock options granted under our 2015 Equity Incentive Plan and 2017 Equity Incentive Plan and held by its current employees, executive officers, and directors. Effective April 1, 2022, the exercise price of the eligible stock options was reduced to \$5.51, the closing price of our common stock on April 1, 2022. See below section titled "Repricing of Outstanding and Unexercised Options" for more information.

A summary of restricted stock unit activity of the periods indicated is as follows:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Unvested balance - December 31, 2022	20,885	\$ 12.65
Granted	295,992	1.02
Settled	(305,569)	1.91
Forfeited	(3,608)	14.58
Unvested balance - June 30, 2023	7,700	\$ 10.41

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

A summary of restricted stock unit activity of the periods indicated is as follows:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Unvested balance - December 31, 2022	20,885	\$ 12.65
Granted	295,992	1.02
Settled	(308,689)	1.91
Forfeited	(4,808)	14.58
Unvested balance - September 30, 2023	3,380	\$ 10.41

The grant date fair value of restricted stock units is based on the Company's closing stock price at the date of grant. At vesting, each outstanding restricted stock unit will be exchanged for one share of the Company's common stock. Restricted stock units generally vest evenly on a quarterly basis over a period of 4 years in exchange for continued service provided by the restricted stock unit recipient during that vesting period.

A summary of performance-based restricted stock unit activity of the periods indicated is as follows:

	Performance-Based Restricted Stock Units	Weighted-Average Grant Date Fair Value
Unvested balance - December 31, 2022	97,643	\$ 3.45
Granted	—	—
Settled	(97,643)	1.91
Unvested balance - June 30, 2023	—	\$ —

The grant date fair value of performance-based restricted stock units is based on the Company's closing stock price at the date of grant. At vesting, each outstanding restricted stock unit will be exchanged for one share of the Company's common stock. Certain performance metrics must be met by the performance measurement date in 2023 in order for

the performance-based restricted stock units granted during 2022 to vest as follows: one-third on May 16, 2023, one-third on May 16, 2024, and one-third on May 16, 2025, in exchange for continued service provided by the performance-based restricted stock unit recipient during that vesting period.

	Performance-Based Restricted Stock	
	Units	Weighted-Average Grant Date Fair Value
Unvested balance - December 31, 2022	97,643	\$ 3.45
Granted	—	—
Settled	(97,643)	1.91
Unvested balance - September 30, 2023	—	\$ —

8. Income Taxes

The Company incurred a pretax loss in each of the six nine months ended June 30, 2023 September 30, 2023 and 2022, which consists entirely of loss in the United States and resulted in no provision for income tax expense during the periods then ended. The effective tax rate is 0% in each of the six nine months ended June 30, 2023 September 30, 2023 and 2022 because the Company has generated tax losses and has provided a full valuation allowance against its deferred tax assets.

9. Loss Per Common Share

Basic loss per common share is calculated by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted loss per common share is calculated using the treasury share method by giving effect to all potentially dilutive securities that were outstanding. Potentially dilutive options, restricted stock units and warrants to purchase common stock that were outstanding during the periods presented were excluded from the diluted loss per share calculation for the periods presented because such shares had an anti-dilutive effect due to the net loss reported in those periods. Therefore, basic and diluted loss per common share is the same for each of the six nine months ended June 30, 2023 September 30, 2023 and 2022.

The following is the computation of loss per common share for the six nine months ended June 30, 2023 September 30, 2023 and 2022:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Net loss	\$ (5,764)	\$ (7,470)	\$ (10,171)	\$ (15,818)
Weighted-average basic and diluted common shares outstanding	8,432,394	4,503,983	7,366,594	4,268,955
Loss per share - basic and diluted	\$ (0.68)	\$ (1.66)	\$ (1.38)	\$ (3.71)

EXICURE, INC.

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	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Net loss	\$ (5,256)	\$ (5,160)	\$ (15,427)	\$ (20,978)
Weighted-average basic and diluted common shares outstanding	8,650,402	4,963,344	7,799,233	4,502,962
Loss per share - basic and diluted	\$ (0.61)	\$ (1.04)	\$ (1.98)	\$ (4.66)

The outstanding securities presented below were excluded from the calculation of loss per common share, for the periods presented, because such securities would have been anti-dilutive due to the Company's loss per share during that period:

		As of June 30,	
		2023	2022
		As of September 30,	
		2023	2022
Options to purchase common stock	Options to purchase common stock	166,906	317,262
Restricted stock units	Restricted stock units	7,700	49,411
Performance stock units	Performance stock units	—	97,643

Warrants to purchase common stock	Warrants to purchase common stock	50,110	576,261
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10. Fair Value Measurements

ASC Topic 820, *Fair Value Measurement*, establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value, as follows: Level 1 Inputs - unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date; Level 2 Inputs - other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability; and Level 3 Inputs - unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Assets measured at fair value on a recurring basis as of June 30, 2023 September 30, 2023 are as follows:

		Total	Level 1	Level 2	Level 3
		Total	Level 1	Level 2	Level 3
Assets	Assets				
Cash equivalents:	Cash equivalents:				
Cash equivalents:	Cash equivalents:				
Money market funds	Money market funds				
Money market funds	Money market funds	\$1,148	\$1,148	\$—	\$—
Short-term investments:	Short-term investments:				
Short-term investments:	Short-term investments:				
Short-term investments:	Short-term investments:				
Investment in convertible notes receivable	Investment in convertible notes receivable				
Investment in convertible notes receivable	Investment in convertible notes receivable				
Investment in convertible notes receivable	Investment in convertible notes receivable				
Total financial assets	Total financial assets				
Total financial assets	Total financial assets				
Total financial assets	Total financial assets	\$1,148	\$1,148	\$—	\$—

Assets measured at fair value on a recurring basis as of December 31, 2022 are as follows:

	Total	Level 1	Level 2	Level 3
Assets				
Cash equivalents:				
Money market funds	\$ 1,612	\$ 1,612	\$ —	\$ —
Total financial assets	\$ 1,612	\$ 1,612	\$ —	\$ —

EXICURE, INC.

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(in thousands, except share and per share data)

The Company uses the market approach and Level 1 and Level 2 inputs to value its cash equivalents and Level 2 inputs to value its short-term investments. The Company uses the market approach and Level 3 inputs to value its liabilities. There were no liabilities measured at fair value on a recurring basis as of December 31, 2022.

Warrant Liability

A summary of the warrant liability activity for the six nine months ended June 30, 2023, September 30, 2023 is as follows:

			Fair Value	
	Warrants Outstanding	Per Share	Fair Value	
	Warrants Outstanding		Fair Value Per Share	Fair Value
(in thousands, except per share data)	(in thousands, except per share data)			
Balance at December 31, 2022				
Balance at December 31, 2022				
Balance at December 31, 2022	Balance at December 31, 2022	—	\$ —	\$ —
Option to exercise	Option to exercise	526	\$1.52	\$ 800
Payment to warrant holder	Payment to warrant holder	(526)	\$1.52	\$(800)
Balance at June 30, 2023		—	0 \$ —	—
Balance at September 30, 2023				

Investment in convertible notes receivable

EXICURE, INC. A summary of the AFS activity for the nine months ended September 30, 2023 is as follows:

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Fair Value
Balance at December 31, 2022	\$ —
Investment in available for sale securities	2,000
Change in fair value of investment in convertible notes receivable	(2,000)
Balance at September 30, 2023	\$ —

(As of September 30, 2023, management does not believe these AFS investments are recoverable and booked a change in thousands, except share fair value of \$2,000.

There were no transfers between Level 1, 2, or 3, during the years ended December 31, 2023, and per share data) 2022. Both observable and unobservable in puts were used to determine fair value of the positions that the Company classified within the Level 3 category. Unrealized gains and losses associated within the Level 3 category include changes in fair value that were attributable to both observable and unobservable inputs.

11. Commitments and Contingencies

Legal Proceedings

On December 13, 2021, Mark Colwell filed a putative securities class action lawsuit against the Company, David A. Giljohann and Brian C. Bock in the United States District Court for the Northern District of Illinois, captioned Colwell v. Exicure, Inc. et al., Case No. 1:21-cv-0663. On February 4, 2021, plaintiff filed an amended putative securities class

action complaint. On March 20, 2023, the court entered an order appointing James Mathew as lead plaintiff and Bleichmar Fonti & Auld LLP as lead counsel in the action pursuant to the Private Securities Litigation Reform Act of 1995. On May 26, 2023, lead plaintiff filed a second amended complaint against the Company, Dr. Giljohann, Mr. Bock, and Grant Corbett. The second amended complaint alleges that Dr. Giljohann, Mr. Bock, and Dr. Corbett made materially false and/or misleading statements related to the Company's clinical programs purportedly causing losses to investors who acquired Company securities between January 7, 2021 and December 10, 2021. The second amended complaint does not quantify any alleged damages but, in addition to attorneys' fees and costs, lead plaintiff seeks to recover damages on behalf of himself and others who acquired the Company's stock during the putative class period at allegedly inflated prices and purportedly suffered financial harm as a result. The Company intends Case is currently stayed until May 22, 2024 to move permit the parties to dismiss complete the second amended complaint. voluntary private mediation.

On March 1, 2022, Kapil Puri filed a shareholder derivative lawsuit on behalf of the Company in the United States District Court for the Northern District of Illinois, against Dr. Giljohann and Mr. Bock, Jeffrey L. Cleland,

EXICURE, INC.

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Elizabeth Garofalo, Bosun Hau, Bali Muralidhar, Andrew Sassine, Matthias Schroff, James Sulat and Timothy Walbert, captioned Puri v. Giljohann, et al., Case No. 1:22-cv-01083. On March 8, 2022, Yixin Sim filed a similar shareholder derivative lawsuit in the same court against the same individuals, captioned Sim v. Giljohann, et al., Case No. 1:22-cv-01217. On April 25, 2022, Stourbridge Investments LLC filed a similar shareholder derivative lawsuit against the same individuals in the United States District Court for the District of Delaware, captioned Stourbridge Investments LLC v. Exicure, Inc. et al., Case No. 1:22-cv-00526. Based on similar factual allegations presented in the Colwell complaint, described above, the Puri, Sim, and Stourbridge complaints (collectively, the "Derivative Complaints") allege that the defendants caused the Company to issue false and/or misleading statements in the proxy statement for its 2021 Annual Meeting of Stockholders regarding risk oversight, code of conduct, clinical program and compensation matters, among other things, in violation of federal securities law, and committed breaches of fiduciary duties. The Derivative Complaints also assert that Dr. Giljohann and Mr. Bock are liable for contribution under the federal securities laws. The Puri and Stourbridge complaints further assert state law claims for unjust enrichment, and the Puri complaint additionally asserts state law claims for abuse of control, gross mismanagement and corporate waste. The plaintiffs do not quantify any alleged damages in the Derivative Complaints, but seek restitution for damages to the Company, attorneys' fees, costs, and expenses, as well as an order directing that certain proposals for strengthening board oversight be put to a vote of the Company's shareholders.

On March 18, 2022, James McNabb, through counsel, sent a written demand to the Company (the "Demand Letter") demanding that the Board of Directors investigate certain allegations and commence proceedings on the Company's behalf against certain of the Company's current officers and directors for alleged breaches of fiduciary duties and corporate waste. All of the Derivative Cases have been stayed pending a decision on any motion to dismiss that may be filed in the Colwell case. In addition, the Stourbridge case has been administratively closed pending the decision on motion to dismiss that may be filed in the Colwell case. Further, pursuant to agreement, the Demand Letter is being held in abeyance and any related statute of limitations tolled pending such motion and decision.

In June 2023, On October 3, 2023, a director of former employee filed a complaint against the Company designated by CBI USA served a demand on and its executives related to the Company to access certain books and records pursuant to Section 220(d) of former employee's separation from the Delaware General Corporation Law. The Company served its response and is working with the director to resolve this demand amicably and in accordance with the Company's obligations under Delaware law.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

Company.

Northwestern University License Agreements

On December 12, 2011, (1) AuraSense, LLC, the Company's former parent, assigned to the Company all of its worldwide rights and interests under AuraSense, LLC's 2009 license agreement with Northwestern University ("NU") in the field of the use of nanoparticles, nanotechnology, microtechnology or nanomaterial-based constructs as therapeutics or accompanying therapeutics as a means of delivery, but expressly excluding diagnostics (the "assigned field"); (2) in accordance with the terms and conditions of this assignment, the Company assumed all liabilities and obligations of AuraSense, LLC as set forth in its license agreement in the assigned field; and (3) in order to secure this assignment and the patent rights from NU, the Company agreed (i) to pay NU an annual license fee, which may be credited against any royalties due to NU in the same year, (ii) to reimburse NU for expenses associated with the prosecution and maintenance of the license patent rights, (iii) to pay NU royalties based on any net revenue generated by the Company's sale or transfer of any licensed product, (iv) to pay NU, in the event the Company grants a sublicense under the licensed patent rights, the greater of a percentage of all sublicense royalties or a percentage of any net revenue generated by a sublicensee's sale or transfer of any licensed product, and (v) to pay NU a percentage of all other sublicense payments received by the Company. In August 2015, the Company entered into a restated license agreement with NU (the "Restated License Agreement"). In February 2016, the Company obtained exclusive license as to NU's rights in certain SNA technology it jointly owns with NU (the "Co-owned Technology License"). The Company's license to NU's rights is limited to the assigned field, however the Company has no such limitation as to its own rights in this jointly owned technology. The Company's rights and obligations in the Co-owned Technology License agreement is substantially the same as in the Restated License Agreement from August 2015 (collectively referred to as "the Northwestern University License Agreements"). As of June 30, 2023 September 30, 2023, the Company has paid to NU an aggregate of \$11,550 \$11,567 in consideration of each of the obligations described above.

EXICURE, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (in thousands, except share and per share data)

On August 3, 2023, the company received a notice letter (the "Letter") from counsel for NU alleging the Company breached the Northwestern University License Agreements. The Letter alleges that a lack of development required under the Northwestern University License Agreements is a breach. The Company is currently evaluating the letter Northwestern University License Agreements were subsequently terminated on September 10, 2023 and expects to have discussions with NU regarding the matters set forth in the Letter. At this time, the Company cannot determine the outcome of any such discussions. October 3, 2023, respectively.

Leases

Refer to Note 4, Leases, for a discussion of the commitments associated with the Company's lease agreements.

12. Related-Party Transactions

Pursuant to a Consulting Agreement, effective as of September 25, 2022, between the Company and Alta Companies LTD ("Alta"), the Company paid Alta \$218 on February 27, 2023 for a consulting fee earned as a result of the September 2022 PIPE closing. Paul Kang, a director of the Company since February 2023 and the CEO of the Company since August 2023, is the President of Alta.

13. Subsequent Events

On May 3, 2024, the Company executed a promissory note ("Note") and subsequently received a loan in the amount of \$300 from an individual investor. All principal and accrued interest will be due and payable on the earlier of (i) the 1st anniversary of the date of this Note or (ii) upon an event of default, at that time, such amounts declared by the investor will become due and payable by Company. Interest will accrue on this Note at 6.0% and is payable at maturity.

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

The following information should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included in this Quarterly Report on Form 10-Q and the audited financial information and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the Securities and Exchange Commission, or SEC, on March 27, 2023, as amended by Amendment No. 1 filed with the SEC on May 1, 2023 (the "Annual Report"). This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that involve significant risks and uncertainties. Our actual results, performance or experience could differ materially from what is indicated by any forward-looking statement due to various important factors, risks, uncertainties, assumptions and other factors including, but not limited to, those identified in this Quarterly Report on Form 10-Q and those set forth under the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q and in our other SEC filings.

Overview

Historically, we have been an early-stage biotechnology company focused on developing nucleic acid therapies targeting ribonucleic acid against validated targets. In September 2022, we announced a significant reduction in force, suspension of preclinical activities and halting of all research and development, and that we were exploring strategic alternatives to maximize stockholder value. While the foregoing efforts are continuing with respect to our historical assets, we do not expect they will generate significant value for stockholders stockholders. For example, in February 2024, we announced a licensing deal for patents related to one of our historical drug candidates, and received a small, one-time payment and an entitlement to only modest royalties on future sales of the near term. licensed technology that we do not believe will be material. Therefore, we are engaging in a broader exploration of strategic alternatives. This effort involves exploring growth through transactions with potential partners that see opportunity in joining an existing, publicly-traded organization. We are exploring transactions in industries unrelated to our historical operations.

Because we currently have no source of revenue or committed financing, we will require substantial additional funding within in the next several months very near term in order to continue to operate and continue our exploration of strategic alternatives and consummate any transactions that we may identify.

Operating, financing, and cash flow considerations

Since our inception in 2011, we have primarily funded our operations through sales of our securities, loans and collaborations. As of June 30, 2023, our cash, cash equivalents, and restricted cash were \$3.5 million. On February 24, 2023, we raised gross proceeds of \$5.4 million on the closing of the Private Placement (as defined below) (or net proceeds of approximately \$4.6 million after transaction expenses) and expect to use the . However, we have largely already used these net proceeds for severance payments, warrant put payments, acquisition of the Bonds and general working capital purposes as we pursue strategic alternatives alternatives. As of September 30, 2023, our cash and cash equivalents were \$0.9 million. Subsequent to September 30, 2023, our cash and cash equivalents have decreased to approximately \$0.2 million as well as for of April 30, 2024. We will attempt to redeem the payout for warrant put rights that were exercised as a result \$2.0 million aggregate principal amount of the change Bonds in the third quarter of control. 2024, however, there can be no assurance that we will be able to do so, in the near term or at all. See "Risk Factors – We may not be able to redeem the Bonds."

Our current liquidity is not sufficient to continue to fund operations over the next twelve months from the date of the issuance of the accompanying consolidated financial statements, operations. As a result, there is substantial doubt about our ability to continue as a going concern. Substantial additional financing will be needed within in the next several months very near term to fund our operations and ongoing exploration of strategic alternatives and pursue any alternatives that we identify. If we are unable to raise capital, the Company may seek bankruptcy protection and/or cease operations in the near term, which may result in the Company's stockholders receiving no or very little value in respect of their shares of the Company's common stock.

We expect to seek financing through equity offerings. However, it may be difficult to obtain financing given the Company's current condition and uncertainty over its future direction. Therefore, we may be unable to raise capital when needed at all or on favorable terms. Our failure to raise capital or enter into such other arrangements as and when

needed would have a negative impact on our financial condition and our ability to continue operations.

Recent Developments

Restructuring

On December 10, 2021, we announced a strategic reduction in force and other cost cutting measures to reduce cash burn. On September 26, 2022, we announced our commitment to a plan to wind down our existing preclinical programs, including the development of our SCN9A program, to suspend all of our research and development ("R&D") activities, including suspension of all partnered programs, and to implement a reduction in force whereby we reduced approximately 66% of our then-existing workforce, as well as other cost-cutting measures (collectively, the "Plan"). The purpose of the Plan was to decrease expenses, thereby, extending our cash runway, and enable us to maintain a streamlined organization to support key corporate functions.

Change of Control

On February 24, 2023, September 26, 2022, following the satisfaction Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with CBI USA, Inc. ("CBI USA"), pursuant to which the Company agreed to issue and sell to CBI USA in a private placement an aggregate of closing conditions, including the approval by our stockholders 3,400,000 shares of Common Stock, at a Special Meeting purchase price of Stockholders held on December 15, 2022, we closed our \$1.60 per share. The private placement closed on February 24, 2023 (the "Private Placement" "Closing Date").

CBI USA funded the acquisition pursuant to the Securities Purchase Agreement through a loan from its affiliate, DGP Co., Ltd. ("DGP"). On June 23, 2023, DGP exercised its the option pursuant to the loan and acquired the 3,400,000 shares of Common Stock initially acquired by CBI USA. Exicure received gross proceeds of approximately \$5.4 million in connection USA pursuant to the Securities Purchase Agreement. DGP subsequently agreed to sell its shares to a third party, with the close of the Private Placement (or net proceeds of approximately \$4.6 million after transaction expenses) and expects to use the net proceeds for general working capital purposes as we pursue strategic alternatives as well as for the payout for warrant put rights that were exercised as a result of the change of control.

Following the closing of 10% (340,000 shares) occurring in February 2024 and the Private Placement, remainder to close by or on June 30, 2024.

The Securities Purchase Agreement, as confirmed and clarified by that certain letter agreement, dated October 31, 2022, between the Company and CBI USA, is the beneficial owner of approximately 50.4% of the Company's outstanding shares, resulting in a "change of control" of Exicure under the applicable Nasdaq rules. At closing, provided CBI USA designated three members together with its affiliates and any "group" of which it or they are a member with the right to designate directors to the Company's board of directors. We are currently relying on Nasdaq's "controlled company" exception directors in proportion to the requirements that ownership of CBI USA and its affiliates and any such group. CBI USA and DGP have announced they expect to exercise such rights as a majority group. Together, they beneficially own 45% of our board be independent and that we have the outstanding shares of Common Stock based on their most recent Schedule 13D amendment. As noted above, DGP has entered into an independent compensation committee and independent nominating committee agreement to sell its remaining shares to a third party by or function, on June 30, 2024.

Nasdaq Listing Requirements Deficiency Notice

As previously disclosed, the Company has received numerous deficiency notices with respect to various Nasdaq listing requirements in the past year. These related to:

- Compliance with Nasdaq's minimum bid price rule due to the Company's stock trading below \$1.00 for a sustained period of time. The Company effected a one-for-thirty reverse stock split on June 29, 2022 in order to attempt to raise the stock price. As On September 13, 2023, the Company received a delinquency notification that the closing bid price of August 9, 2023, the Company's stock traded below \$1.00 for the previous 30 consecutive business days. The Company's stock price closed at \$0.86, has remained below \$1.00 since receipt of the notification, which must be cured by September 9, 2024, per the March 12, 2024 extension letter received from Nasdaq.
- Compliance with Nasdaq's rule requiring stockholders' equity of at least \$2,500,000 based on the Company's balance sheet as of June 30, 2022 September 30, 2022. The Company believes it is in compliance with this requirement based on its June 30, 2023 September 30, 2023 balance sheet, but there can be no assurance it will remain in compliance.
- Compliance with Nasdaq's corporate governance requirements with respect to board and committee composition due to the lack of (i) a majority independent board, (ii) an audit committee comprised of three independent directors and (iii) a compensation committee comprised of at least two independent directors. With composition. The Company has received numerous deficiency notifications with respect to these requirements in the majority independence and the audit committee requirements, Nasdaq informed past year. Although the Company that believes it was not entitled to a cure period and must submit a plan to regain compliance no later than April 10, 2023. Following the closing of the Private Placement, the Company qualifies for Nasdaq's controlled company exemptions from the requirements to have a majority independent board and independent compensation committee. The Company must still have an audit committee comprised of three independent directors. On May 10, 2023, the Company received an additional delinquency notification regarding compliance with the listing requirements for an audit committee to be comprised of at least three independent directors.
- On August 4, 2023, the Company received an additional delinquency notification regarding compliance with the listing requirements for an audit committee to be comprised of at least three independent directors. The audit committee is currently comprised of only one independent director, and therefore, the Company is in compliance, there can be no longer eligible for the cure period described assurance it will remain in the delinquency notification received on May 10, 2023, compliance.

and previously disclosed. Under Rule 5605(c)(2), the Company has 45 calendar days to submit a plan to regain compliance. If the Company's plan is accepted, Nasdaq can grant an extension of up to 180 calendar days from the date of the delinquency notification. The Company is searching for qualified candidates to add as independent directors.

- On May 17 2023, November 22, 2023, the Company received a delinquency notification as it had not filed its first third quarter Form 10-Q at the deadline. We expect this delinquency will be cured by this filing.
- Compliance with Nasdaq's requirement to hold an annual meeting. On July 17, 2023 January 11, 2024, Nasdaq notified the Company that it did not comply with listing requirements by not holding an annual meeting in 2023. The Company received an extension letter on March 12, 2024 from Nasdaq noting it must hold its annual meeting by June 28, 2024.
- On April 17, 2024, the company Company received a letter noting this delinquency was cured. notification as it had not filed its Annual Report Form 10-K for the year ended December 31, 2023.

We may not be able to regain compliance with Nasdaq's Nasdaq's listing requirements and our failure to do so may result in the delisting of our Common Stock by Nasdaq. Even if the Company regains compliance with Nasdaq's listing requirements and addresses the outstanding deficiency notices to Nasdaq's satisfaction, there can be no assurance that the Company will remain in compliance with Nasdaq's requirements and will not be delisted.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of We prepare our condensed consolidated financial condition and results of operations is based on our financial statements which have been prepared in accordance with GAAP. The preparation accounting principles generally accepted in the United States of these financial statements requires us America, which require our management to make estimates and assumptions that affect the reported amounts of assets, and liabilities and the disclosure disclosures of contingent assets and liabilities at the date of the financial statements, balance sheet dates, as well as the revenue reported amounts of revenues and expenses incurred during the reported reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and on various other factors assumptions that we believe are reasonable under after taking account of our circumstances and expectations for the circumstances, future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of which form operations.

Management has discussed the basis for making judgments about development and selection of these critical accounting estimates with the carrying value Audit Committee of assets and liabilities our Board of Directors. In addition, there are other items within our financial statements that require estimation, but are not apparent from other sources, deemed critical as defined above. Changes in estimates are reflected used in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies require the most significant judgments and estimates in the preparation of other items could have a material impact on our consolidated financial statements. There have been no significant changes This includes estimates where the nature of the estimate is material due to our critical accounting policies from those which were discussed in our Annual Report, the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the impact of the estimate on financial condition or operating performance is material.

Recently adopted accounting pronouncements

Refer to Note 2, Significant Accounting Policies, of the accompanying unaudited condensed consolidated financial statements for a description of recent accounting pronouncements ASU 2016-13 adopted during the first quarter of 2023. There has been no impact on the financial statements from the adoption of this ASU.

Recent accounting pronouncements not yet adopted

There are no recent accounting pronouncements that the Company has not yet adopted.

Results of Operations

Comparison of the Three Months Ended June 30, 2023 September 30, 2023 and 2022

The following table summarizes the results of our operations for the three months ended June 30, 2023 September 30, 2023 and 2022:

Three Months Ended June 30,
Three Months Ended September 30,

(dollars in thousands)											
(dollars in thousands)											
(dollars in thousands)	(dollars in thousands)	2023	2022	Change		2023		2022	Change		
Revenue:	Revenue:										
Collaboration revenue											
Collaboration revenue											
Collaboration revenue	Collaboration revenue	\$ —	\$ 2,471	\$(2,471)	(100)%	\$ —	\$ 2,016	\$ (2,016)	(100)	(100)	
Total revenue	Total revenue	—	2,471	(2,471)	(100)%	—	2,016	2,016	(2,016)	(100)	
Operating expenses:	Operating expenses:										
Research and development expense	Research and development expense	921	6,749	(5,828)	(86)%						
Research and development expense											
Research and development expense						—4,805(4,805)					
General and administrative expense	General and administrative expense	4,721	3,205	1,516	47 %	2,397	2,416	2,416	(19)	(19)(1)	
Loss from sale of property and equipment											
Loss from sale of property and equipment						920—920					
Total operating expenses	Total operating expenses	5,642	9,954	(4,312)	(43)%	3,317	7,221	7,221	(3,904)	(3,904)(54)	
Operating loss	Operating loss	(5,642)	(7,483)	1,841	(25)%	(3,317)	(5,205)	(5,205)	1,888	1,888(36)	
Other income (expense), net:	Other income (expense), net:										
Changes in fair value of investment in convertible notes receivable											
Changes in fair value of investment in convertible notes receivable											
Changes in fair value of investment in convertible notes receivable						(2,000)—(2,000)					
Dividend income	Dividend income	15	16	(1)	(6)%	13	41	41	(28)	(28)(68)	
Interest income	Interest income	13	1	12	1,200 %	4	4	4	—	—	
Interest expense	Interest expense	—	—	—	— %	—	—	—	—	—	
Other expense, net	Other expense, net	(150)	(4)	(146)	3,650 %	44	—	—	44	44100	
Total other income (expense), net	Total other income (expense), net	(122)	13	(135)	(1,038)%	(1,939)	45	45	(1,984)	(1,984)(4,409)	
Net loss before provision for income taxes	Net loss before provision for income taxes	(5,764)	(7,470)	1,706	(23)%	(5,256)	(5,160)	(5,160)	(96)	(96)2	
Provision for income taxes	Provision for income taxes	—	—	—	— %	—	—	—	—	—	
Net loss	Net loss	\$(5,764)	\$(7,470)	\$ 1,706	(23)%	\$(5,256)	\$ (5,160)	\$ (5,160)	\$ (96)	2	

Revenue

The following table summarizes our revenue earned during the periods indicated:

		Three Months Ended June 30,												
		Three Months Ended September 30,												
(dollars in thousands)	(dollars in thousands)	2023	2022	Change	2023	2022	Change							
Collaboration revenue:	Collaboration revenue:													
Ipsen Collaboration Agreement														
Ipsen Collaboration Agreement														
Ipsen Collaboration Agreement	Ipsen Collaboration Agreement	\$—	\$1,775	\$(1,775)	(100)%	\$—	\$1,427	\$(1,427)	(100)	(100)	%			
AbbVie Collaboration Agreement	AbbVie Collaboration Agreement	—	696	(696)	(100)%	—	589	(589)	(589)	(100)	(100)%			
Total collaboration revenue	Total collaboration revenue	\$—	\$2,471	\$(2,471)	(100)%	\$—	\$2,016	\$(2,016)	(100)	(100)	%			
Total revenue	Total revenue	\$—	\$2,471	\$(2,471)	(100)%	\$—	\$2,016	\$(2,016)	(100)	(100)	%			

2023 of \$4.8 million reflects the suspension of clinical, preclinical, and discovery program activities and the reduction in headcount resulting from the restructuring activities that were announced in December 2021 and September 2022, and our shift in our historical business operations suspending all research and development expenses.

General and administrative expense

(dollars in thousands)	Three Months Ended September 30,		Change	
	2023	2022		
General and administrative expense	\$ 2,397	\$ 2,416	(19)	(1)%
Full time employees	6	8	(2)	

General and administrative expense was \$2.4 million for the three months ended September 30, 2023, essentially flat with \$2.4 million for the three months ended September 30, 2022. This was mostly due to lower compensation and related costs and professional fees as a result of reduced operations in the 2023 period, offset by increased legal costs related to the securities litigation and certain expenses, such as office facilities, legal, and payroll related costs that no longer met the criteria to be classified as research and development expenses due to the shift in our historical operations suspending all research and development activities as discussed above.

Loss from sale of property and equipment

In the third quarter, the Company sold the majority of its scientific equipment through a third party auctioneer and incurred a loss on the sale of these assets as a result.

Changes in fair value of investment in convertible notes receivable

Indicators of impairment became known and the Company impaired the entire \$2 million amount of these convertible securities. As a result, the convertible securities are recognized at a fair value of \$0 as of September 30, 2023.

Comparison of the Nine Months Ended September 30, 2023 and 2022

The following table summarizes the results of our operations for the nine months ended September 30, 2023 and 2022:

(dollars in thousands)	Nine Months Ended September 30,		Change	
	2023	2022		
Revenue:				
Collaboration revenue	\$ —	\$ 7,052	\$ (7,052)	(100)%
Total revenue	—	7,052	(7,052)	(100)%
Operating expenses:				
Research and development expense	1,423	18,694	(17,271)	(92)%
General and administrative expense	11,155	8,783	2,372	27 %
Loss from sale of property and equipment	920	—	920	100 %
Total operating expenses	13,498	27,477	(13,979)	(51)%
Operating loss	(13,498)	(20,425)	6,927	(34)%
Other (expense) income, net:				
Changes in fair value of investment in convertible notes receivable	(2,000)	—	(2,000)	100 %
Dividend income	45	59	(14)	(24)%
Interest income	28	7	21	300 %
Interest expense	—	(595)	595	(100)%
Other expense, net	(2)	(24)	22	(92)%
Total other expense, net	(1,929)	(553)	(1,376)	249 %
Net loss before provision for income taxes	(15,427)	(20,978)	5,551	(26)%
Provision for income taxes	—	—	—	— %
Net loss	\$ (15,427)	\$ (20,978)	\$ 5,551	(26)%

Revenue

The following table summarizes our revenue earned during the periods indicated:

(dollars in thousands)	Nine Months Ended				
	September 30,				
	2023		2022		Change
Collaboration revenue:					
Ipsen Collaboration Agreement	\$	—	\$	5,282	\$ (5,282) (100)%
AbbVie Collaboration Agreement		—		1,770	(1,770) (100)%
Total collaboration revenue	\$	—	\$	7,052	\$ (7,052) (100)%
Total revenue	\$	—	\$	7,052	\$ (7,052) (100)%

Collaboration revenue was \$0.0 million during the nine months ended September 30, 2023, reflecting a decrease of \$7.1 million, or 100%, from collaboration revenue of \$7.1 million for the nine months ended September 30, 2022. The decrease in collaboration revenue of \$7.1 million is due to the termination of the Ipsen and AbbVie Collaboration Agreements in December 2022 that resulted in recognition of the remaining deferred revenue associated with each of those collaboration agreements in the fourth quarter of 2022.

Research and development expense

The following table summarizes our research and development expenses incurred during the periods indicated:

Three Months Ended June 30,					Nine Months Ended September 30,				
(dollars in thousands)	(dollars in thousands)	2023	2022	Change	(dollars in thousands)	2023	2022	Change	
Employee-related expense	Employee-related expense	\$ 87	\$2,339	\$(2,252) (96)%	Employee-related expense	\$ 511	\$ 6,196	\$ (5,685) (92)	(92) %
Facilities, depreciation, and other expenses					Facilities, depreciation, and other expenses	755	3,294	(2,539)	(77) %
Platform and discovery-related expense	Platform and discovery-related expense	215	1,997	(1,782) (89)%	Platform and discovery-related expense	93	6,333	(6,240)	(6,240) (99) %
Facilities, depreciation, and other expenses		594	1,229	(635) (52)%					
Clinical development programs expense	Clinical development programs expense	25	1,184	(1,159) (98)%	Clinical development programs expense	64	2,871	(2,807)	(2,807) (98) %
Total research and development expense	Total research and development expense	\$921	\$6,749	\$(5,828) (86)%	Total research and development expense	\$1,423	\$18,694	\$(17,271)	(92) (92) %
Full time employees	Full time employees	1	31	(30)					
Full time employees									

Research and development expense was \$0.9 million \$1.4 million for the three nine months ended June 30, 2023 September 30, 2023, reflecting a decrease of \$5.8 million \$17.3 million, or 86%, 92% from research and development expense of \$6.7 million \$18.7 million for three nine months ended June 30, 2022 September 30, 2022. The decrease in research and development expense for the three nine months ended June 30, 2023 September 30, 2023 of \$5.8 million \$17.3 million reflects the suspension of clinical, preclinical, and discovery program activities and the reduction in headcount resulting from the restructuring activities that were announced in December 2021 and September 2022. More specifically, As a result, after the decrease in first quarter of 2023, we determined it was no longer appropriate to record any research and development expense for expenses during the three nine months ended June 30, 2023 of \$5.8 million was primarily due to a decrease September 30, 2023, as the Company began exploring strategic alternatives in costs related to lower employee-related expense of \$2.3 million from reduced headcount, lower platform and discovery-related expense of \$1.8 million, and clinical development programs of \$1.2 million.

The decrease in employee-related expense for the three months ended June 30, 2023 of \$2.3 million was due to lower compensation and related costs in connection with a lower headcount during the period resulting from the restructuring activities that were announced in September 2022 and December 2021.

The decrease in platform and discovery-related expense for the three months ended June 30, 2023 of \$1.8 million was mostly due to lower CRO and materials costs, all in connection with suspension of R&D activities in connection with reduction in headcount and fewer R&D activities.

The decrease in clinical development programs expense for the three months ended June 30, 2023 of \$1.2 million was primarily due to lower manufacturing and toxicology study costs in connection with IND-enabling and Phase 1 clinical trial preparation activities for the XCUR-FXN program, which was indefinitely suspended in December 2021, contributed to the decrease in clinical development program expense as compared to the prior-year period. April 2023.

General and administrative expense

Three Months Ended June 30,		Nine Months Ended September 30,											
(dollars in thousands)		(dollars in thousands)											
(dollars in thousands)	(dollars in thousands)	2023	2022	Change	2023	2022	Change						
General and administrative expense	General and administrative expense	\$4,721	\$3,205	1,516 47 %	General and administrative expense	\$ 11,155	\$ 8,783	2,372	2,372	27	27	%	
Full time employees	Full time employees	6	8	(2)									

General and administrative expense was \$4.7 million \$11.2 million for the three nine months ended June 30, 2023 September 30, 2023, representing an increase of \$1.5 million, \$2.4 million or 47% 27%, from \$3.2 million \$8.8 million for the three nine months ended June 30, 2022 September 30, 2022. The increase for the three nine months ended June 30, 2023 September 30, 2023 was mostly due to higher costs due to separation pay for executives and related stock based compensation expense, legal and consulting fees, partially offset by lower bonus, retention, and insurance expense.

Comparison \$1.5 million of the Six Months Ended June 30, 2023 and 2022

The following table summarizes the results of our operations for the six months ended June 30, 2023 and 2022:

		Six Months Ended June 30,			
(dollars in thousands)		2023	2022	Change	
Revenue:					
Collaboration revenue	\$	—	\$ 5,036	\$ (5,036)	(100)%
Total revenue		—	5,036	(5,036)	(100)%
Operating expenses:					
Research and development expense		2,902	13,889	(10,987)	(79)%
General and administrative expense		7,279	6,367	912	14 %
Total operating expenses		10,181	20,256	(10,075)	(50)%

Operating loss	(10,181)	(15,220)	5,039	(33)%
Other (expense) income, net:				
Dividend income	32	18	14	78 %
Interest income	24	3	21	700 %
Interest expense	—	(595)	595	(100)%
Other expense, net	(46)	(24)	(22)	92 %
Total other expense, net	10	(598)	608	(102)%
Net loss before provision for income taxes	(10,171)	(15,818)	5,647	(36)%
Provision for income taxes	—	—	—	— %
Net loss	<u>\$ (10,171)</u>	<u>\$ (15,818)</u>	<u>\$ 5,647</u>	<u>(36)%</u>

Revenue

The following table summarizes our revenue earned during the periods indicated:

(dollars in thousands)	Six Months Ended			
	June 30,			
	2023	2022	Change	
Collaboration revenue:				
Ipsen Collaboration Agreement	\$ —	\$ 3,854	\$ (3,854)	(100)%
AbbVie Collaboration Agreement	—	1,182	(1,182)	(100)%
Total collaboration revenue	<u>\$ —</u>	<u>\$ 5,036</u>	<u>\$ (5,036)</u>	<u>(100)%</u>
Total revenue	<u>\$ —</u>	<u>\$ 5,036</u>	<u>\$ (5,036)</u>	<u>(100)%</u>

Collaboration revenue was \$0.0 million during the six months ended June 30, 2023, reflecting a decrease of \$5.0 million, or 100%, from collaboration revenue of \$5.0 million for the six months ended June 30, 2022. The decrease in collaboration revenue of \$5.0 million is due to the termination of the Ipsen and AbbVie Collaboration Agreements in December 2022 certain expenses that resulted in recognition of the remaining deferred revenue associated with each of those collaboration agreements in the fourth quarter of 2022

Research and development expense

The following table summarizes our previously had been recorded as research and development expenses, incurred during such as office facilities, legal, and payroll related costs, that no longer met the periods indicated:

(dollars in thousands)	Six Months Ended			
	June 30,			
	2023	2022	Change	
Platform and discovery-related expense	\$ 451	\$ 4,484	\$ (4,033)	(90)%
Employee-related expense	1,013	4,300	(3,287)	(76)%
Clinical development programs expense	89	2,855	(2,766)	(97)%
Facilities, depreciation, and other expenses	1,349	2,250	(901)	(40)%
Total research and development expense	<u>\$ 2,902</u>	<u>\$ 13,889</u>	<u>\$ (10,987)</u>	<u>(79)%</u>
Full time employees	1	31	(30)	

Research and development expense was \$2.9 million for the six months ended June 30, 2023, reflecting a decrease of \$11.0 million, or 79% from criteria to be classified as research and development expense of \$13.9 million for six months ended June 30, 2022. The decrease expenses due to the shift in our historical business operations discontinuing all research and development expense for the six months ended June 30, 2023 of \$11.0 million reflects the suspension of clinical, preclinical, and discovery program activities and the reduction in headcount resulting from the restructuring activities that were announced in December 2021 and September 2022. More specifically, the decrease in research and development expense for the six months ended June 30, 2023 of \$11.0 million was primarily due to a decrease in costs related to lower platform and discovery-related expense of \$4.0 million, lower employee-related expense of \$3.3 million, and lower clinical development programs of \$2.8 million.

The decrease in platform and discovery-related expense for the six months ended June 30, 2023 of \$4.0 million was mostly due to lower CRO and materials costs, all in connection with suspension of R&D activities in connection with reduction in headcount and fewer R&D activities.

The decrease in employee-related expense for the six months ended June 30, 2023 of \$3.3 million was due to lower compensation and related costs in connection with a lower average headcount during the period resulting from the restructuring activities that were announced in September 2022 and December 2021.

The decrease in clinical development programs expense for the six months ended June 30, 2023 of \$2.8 million was primarily due to lower manufacturing and toxicology study costs in connection with IND-enabling and Phase 1 clinical trial preparation activities for the XCUR-FXN program which we indefinitely suspended in December 2021, contributed to the decrease in clinical development program expense as compared to the prior-year period.

General and administrative expense

	Six Months Ended			
	June 30,			
(dollars in thousands)	2023	2022	Change	
General and administrative expense	\$ 7,279	\$ 6,367	912	14 %
Full time employees	6	8	(2)	

General and administrative expense was \$7.3 million for the six months ended June 30, 2023, representing an increase of \$0.9 million or 14%, from \$6.4 million for the six months ended June 30, 2022, discussed above. The increase for the six months ended June 30, 2023 was mostly also due to higher costs due to from the separation pay for of former executives and related stock based compensation expense, and consulting fees, increased franchise taxes; partially offset by lower bonus, retention, professional fees as a result of reduced operations.

Loss from sale of property and insurance expense, equipment

In the third quarter, the Company sold the majority of its scientific equipment through a third party auctioneer and incurred a loss on the sale of these assets as a result.

Changes in fair value of investment in convertible notes receivable

Indicators of impairment became known and the Company impaired the entire \$2 million amount of these convertible securities. As a result, the convertible securities are recognized at a fair value of \$0 as of September 30, 2023.

Liquidity and Capital Resources

Since our inception, we have incurred significant operating losses as an early-stage biotechnological company. losses. We have generated limited revenue to date from our collaboration agreements, which have since been terminated. We have not commercialized any of our product candidates, and we do not expect to generate revenue from sales of any product. We have funded our operations to date with proceeds received from equity financings and payments received in connection with collaboration agreements, which have since been terminated. Currently we are exploring strategic alternatives and generating little to no revenue.

As of June 30, 2023 September 30, 2023, our cash and cash equivalents and restricted cash were \$3.5 million \$0.9 million as compared to \$9.8 million \$8.6 million as of December 31, 2022. To date, we have funded our operations primarily with proceeds received from equity financings and to a lesser extent, payments received in connection with collaboration agreements. Subsequent to September 30, 2023, our cash and cash equivalents have decreased to approximately \$0.2 million as of April 30, 2024. We have generated limited revenue will attempt to date from our collaboration agreements, redeem the \$2.0 million aggregate principal amount of the Bonds in August 2024, however, there can be no assurance that we will be able to do so, in the near term or at all. See "Risk Factors – We may not be able to redeem the Bonds."

We incurred net losses of approximately \$10.2 million \$15.4 million and \$15.8 million \$21.0 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively. As of June 30, 2023 September 30, 2023, we have generated an accumulated deficit of \$201.7 million \$206.9 million since inception and expect to incur significant expenses and negative cash flows for the foreseeable future.

Based on our current operating plans and existing working capital at June 30, 2023, it is uncertain whether our Our current liquidity is not sufficient to continue to fund operations over the next twelve months from the date of the issuance of the accompanying unaudited condensed consolidated financial statements. operations. As a result, there is substantial doubt about our ability to continue as a going concern. Substantial additional financing will be needed in the very near term to fund our operations and there is no certainty we will obtain such financing. If we are unable to raise capital, we will need to consider other various strategic alternatives, including a merger or sale, or be unable to continue operations. We may need to seek bankruptcy protection and/or cease operations in the near term, which may result in our stockholders receiving no or very little value in respect of their shares of our common stock.

See "Funding Requirements" below for additional information on our future capital needs.

Private Placements

In September 2022, we entered into the Securities Purchase Agreement with CBI USA, pursuant to which we agreed to issue and sell to CBI USA in a private placement an aggregate of 3,400,000 shares of our common stock, par value \$0.0001 per share, at a purchase price of \$1.60 per share. This Private Placement closed on February 24, 2023. Immediately following the closing of the Private Placement, CBI USA held approximately 50.4% of the shares of our common stock.

In May 2022, we entered into a securities purchase agreement with several accredited investors, pursuant to which we issued and sold 867,369 shares of common stock, par value \$0.0001 per share, at a purchase price of \$5.81 per share for net proceeds of approximately \$4.9 million.

Cash Flows

The following table shows a summary of our cash flows for the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022:

		Six Months Ended June 30,		Nine Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	(in thousands)	2023	2022	(in thousands)	2023	2022	
		(unaudited)					(unaudited)
		(unaudited)					(unaudited)
Net cash used in operating activities	Net cash used in operating activities	\$ (8,129)	\$ (21,834)				
Net cash (used in) provided by investing activities	Net cash (used in) provided by investing activities	(1,789)	3,491				
Net cash provided by (used in) financing activities	Net cash provided by (used in) financing activities	3,676	(3,103)				
Net increase (decrease) in cash, cash equivalents, and restricted cash	Net increase (decrease) in cash, cash equivalents, and restricted cash	\$ (6,242)	\$ (21,446)				

Operating activities

Net cash used in operating activities was **\$8.1 million** **\$9.5 million** and **\$21.8 million** **\$28.4 million** for the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The decrease in cash used in operating activities for the **six nine** months ended **June 30, 2023** **September 30, 2023** of **\$13.7 million** **\$18.8 million** was due to the suspension of R&D activities and lower headcount from the September 2022 and December 2021 restructurings.

Investing activities

Net cash used in investing activities was **\$1.8 million** and **and** provided by investing activities was **\$3.5 million** **\$4.5 million** for the **six nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively. The decrease in cash provided by investing activities of **\$5.3 million** **\$6.3 million** was primarily due to a decrease in proceeds from the maturity, net of purchases of available-for-sale securities.

Financing activities

Net cash provided in financing activities of \$3.7 million for ~~six~~ **nine** months ended ~~June 30, 2023~~ **September 30, 2023** is due to the Private Placement closed in February. Net cash used by financing activities of \$3.1 million for the ~~six~~ **nine** months ended ~~June 30, 2022~~ **September 30, 2022** was primarily due to the repayment in full of all outstanding indebtedness and other obligations under the Credit and Security Agreement, dated as of September 25, 2020, as amended on October 21, 2020, July 30, 2021, September 30, 2021, and December 10, 2021, with MidCap Financial Trust, as agent, and the lenders party thereto from time to time, or the MidCap Credit Agreement, partially offset by net proceeds of approximately \$4.9 million received in connection with the May 2022 private placement transaction.

Funding Requirements

We will need to obtain substantial additional funding in ~~connection with our continuing the very near term to continue~~ operations. If we are unable to raise capital ~~when needed at all~~ or on acceptable terms, we would be ~~forced unable to~~ **consider other various strategic alternatives, including a merger or sale; or cease** ~~continue~~ operations.

~~We believe that our~~ **Our** existing cash and cash equivalents ~~will are not sufficient to~~ enable us to fund our operating **expenses and capital expenditure requirements into the fourth quarter of 2023. However, we have based this estimate on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect.** ~~expenses.~~ Our future capital requirements are difficult to forecast and will depend on many factors, including:

- the results of our exploration of strategic alternatives, including any potential ~~transactions or collaborations;~~ **transactions;**
- the results of any future or pending litigation against the Company;
- the extent to which we encounter increased costs as a result of global and macroeconomic conditions, including rising inflation and interest rates, supply chain disruptions, fluctuating exchange rates, and increases in commodity, energy and fuel prices; and
- unknown legal, administrative, regulatory, accounting, and information technology costs as well as additional costs associated with operating as a public company.

Until such time, if ever, as we can generate substantial revenue, we expect to finance our cash needs ~~primarily through a combination of equity offerings and distribution or licensing arrangements with third parties.~~ **offerings.** To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders may be materially diluted, and the terms of such securities could include liquidation or other preferences that adversely affect the rights of our stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include restrictive covenants that limit our ability to take specified actions, such as incurring additional debt, making capital expenditures or declaring dividends. Further, the global financial markets have experienced significant disruptions over the past couple of years due to the COVID-19 pandemic, the ongoing conflict between Russia and Ukraine, and worsening global macroeconomic conditions, including actions taken by central banks to counter inflation, volatility in the capital markets and related market uncertainty, may impact our ability to obtain additional financing when needed on favorable terms or at all. Any further disruption or

slowdown in the global financial markets and economy may negatively affect our ability to raise funding through equity or debt financings on attractive terms or at all, which could in the future negatively affect our operations.

Going Concern

In accordance with Accounting Standards Codification 205-40, *Going Concern*, we have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued. In the absence of a significant source of recurring revenue, our continued viability is dependent on our ability

to continue to raise additional capital to finance our operations. As discussed above, there are substantial uncertainties about our ability to raise such financing.

Contractual Obligations and Commitments

There have been no material changes to our contractual obligations and commitments from those described in our Annual Report.

JOBS Act

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Under the JOBS Act, an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for other public companies.

In addition, as an emerging growth company, we will not be required to provide an auditor's attestation report on our internal control over financial reporting in future annual reports on Form 10-K as otherwise required by Section 404(b) of the Sarbanes-Oxley Act.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

As a smaller reporting company, as defined by Rule 12b-2 of the Exchange Act and in Item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls

In designing and evaluating our disclosure controls and procedures, 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. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of **June 30, 2023** **September 30, 2023**. Based on the evaluation of our disclosure controls and procedures as of **June 30, 2023** **September 30, 2023**, our principal executive officer and principal financial officer concluded that, as of such date, our disclosure controls and procedures were **not** effective at the reasonable assurance level. Our management reached these conclusions notwithstanding level due to the fact that on May 15, 2023, we filed with the SEC a Notification of Late Filing, pursuant to Rule 12b-25 under the Exchange Act, with respect to material weakness described below.

our Quarterly Report Material Weakness in Internal Control Over Financial Reporting

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on **Form 10-Q for the quarter ended March 31, 2023**. Such quarterly report was delayed due to a change timely basis.

Management identified material weaknesses in the Company's auditor internal control over financial reporting related to the following:

1. The precision of management's review of the Statement of Operations, resulting in inappropriately classifying certain general and administrative expenses as further described in research and development expenses for the **Form 12b-25**, three months ended March 31, 2023, and three and six months ended June 30, 2023.
2. Management's review of the accounting treatment of non-routine activities, specifically the Company's analysis of the AFS debt securities.

These matters have been reviewed with our Audit Committee.

Remediation Plan

We are evaluating the material weakness and are developing a plan of remediation to strengthen the effectiveness of the design and operation of our internal control environment. The remediation plan will include enhancing our review procedures within our accounting department, implementing additional review procedures with respect to accumulation and evaluation of information that is known or knowable to the Company at the time, and applying that information to the applicable accounting guidance. Subject to our ability to obtain additional financing and the results of our review of strategic alternatives, we will also consider whether additional personnel are necessary.

Changes in Internal Control over Financial Reporting

There Other than described above, there were no changes in our internal control over financial reporting during the fiscal quarter ended **June 30, 2023** **September 30, 2023** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over

time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

On December 13, 2021, Mark Colwell filed a putative securities class action lawsuit against the Company, David A. Giljohann and Brian C. Bock in the United States District Court for the Northern District of Illinois, captioned *Colwell v. Exicure, Inc. et al.*, Case No. 1:21-cv-0663. On February 4, 2021, plaintiff filed an amended putative securities class action complaint. On March 20, 2023, the court entered an order appointing James Mathew as lead plaintiff and Bleichmar Fonti & Auld LLP as lead counsel in the action pursuant to the Private Securities Litigation Reform Act of 1995. On May 26, 2023, lead plaintiff filed a second amended complaint against the Company, Dr. Giljohann, Mr. Bock, and Grant Corbett. The second amended complaint alleges that Dr. Giljohann, Mr. Bock, and Dr. Corbett made materially false and/or misleading statements related to the Company's clinical programs purportedly causing losses to investors who acquired Company securities between January 7, 2021 and December 10, 2021. The second amended complaint does not quantify any alleged damages but, in addition to attorneys' fees and costs, lead plaintiff seeks to recover damages on behalf of himself and others who acquired the Company's stock during the putative class period at allegedly inflated prices and purportedly suffered financial harm as a result. The Company intends Case is currently stayed until May 22, 2024 to move permit the parties to dismiss complete the second amended complaint, voluntary private mediation.

On March 1, 2022, Kapil Puri filed a shareholder derivative lawsuit on behalf of the Company in the United States District Court for the Northern District of Illinois, against Messrs. Giljohann and Bock, Jeffrey L. Cleland, Elizabeth Garofalo, Bosun Hau, Bali Muralidhar, Andrew Sassine, Matthias Schroff, James Sulat and Timothy Walbert, captioned *Puri v. Giljohann, et al.*, Case No. 1:22-cv-01083. On March 8, 2022, Yixin Sim filed a similar shareholder derivative lawsuit in the same court against the same individuals, captioned *Sim v. Giljohann, et al.*, Case No. 1:22-cv-01217. On April 25, 2022, Stourbridge Investments LLC filed a similar shareholder derivative lawsuit against the same individuals in the United States District Court for the District of Delaware, captioned *Stourbridge Investments LLC v. Exicure, Inc. et al.*, Case No. 1:22-cv-00526. Based on similar factual allegations presented in the *Colwell* complaint, described above, the *Puri*, *Sim*, and *Stourbridge* complaints, or collectively, the Derivative Complaints, allege that the defendants caused the Company to issue false and/or misleading statements in its 2021 proxy statement regarding risk oversight, code of conduct, clinical program and compensation matters, among other things, in violation of federal securities law, and committed breaches of fiduciary duties. The Derivative Complaints also assert that Dr. Giljohann and Mr. Bock are liable for contribution under the federal securities laws. The *Puri* and *Stourbridge* complaints further assert state law claims for unjust enrichment, and the *Puri* complaint additionally asserts state law claims for abuse of control, gross mismanagement and corporate waste. The plaintiffs do not quantify any alleged damages in the Derivative Complaints, but seek restitution for damages to the Company, attorneys' fees, costs, and expenses, as well as an order directing that certain proposals for strengthening board oversight be put to a vote of the Company's shareholders.

On March 18, 2022, James McNabb, through counsel, sent a written demand to the Company (the "Demand Letter") demanding that the Board of Directors investigate certain allegations and commence proceedings on the Company's behalf against certain of the Company's current officers and directors for alleged breaches of fiduciary duties and corporate waste. All of the Derivative Cases have been stayed pending a decision on any motion to dismiss that may be filed in the *Colwell* case. In addition, the *Stourbridge* case has been administratively closed pending the decision on motion to dismiss that may be filed in the *Colwell* case. Further, pursuant to agreement, the Demand Letter is being held in abeyance and any related statute of limitations tolled pending such motion and decision.

In June 2023, On October 3, 2023, a director of former employee filed a complaint against the Company designated by CBI USA served a demand on and its executives related to the Company to access certain books and records pursuant to Section 220(d) of former employee's separation from the Delaware General Corporation Law. The Company served its response and is working with the director to resolve this demand amicably and in accordance with the Company's obligations under Delaware law. Company.

We may also be a party to litigation and subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business. Regardless of the outcome,

litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors.

In addition to other information contained in this Quarterly Report on Form 10-Q, the following risks should be considered in evaluating our business and future prospects and an investment in our common stock. The risks and uncertainties described below are not the only ones we face. If any of the following risks and uncertainties develops into actual events, our business, financial condition, results of operations and cash flows could be materially adversely affected. In that case, the price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Business

Our exploration of strategic alternatives may not be successful.

Given the Company's current focus to explore growth through strategic transactions with potential partners, the Company's ability to execute its current business plan depends on its ability to obtain additional funding via a strategic transaction or a series of strategic transactions, or to obtain funding to support such a transaction. We currently have no source of revenues or committed financing, and our financial resources are limited to our cash and cash equivalents. **Substantial additional funding is needed in the very near term.** With respect to our efforts to maximize value from historical assets, while those efforts are continuing, based on the interest we have received to date we do not think it is likely they will generate significant **value, at least in the near term. value.**

The Company plans to continue **actively** pursuing strategic alternatives, however, there can be no assurance that the Company will have sufficient resources or obtain additional financing necessary to complete this effort. Even if we **do have such resources or** can obtain financing, we may not be able to consummate such a transaction in a timely manner or at all or in a manner that would not adversely impact our business. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. Strategic transactions are complex and time-consuming to identify, evaluate, negotiate and consummate in compliance with applicable laws and Nasdaq requirements. Our board and management do not have meaningful experience executing this type of endeavor in the U.S. public markets. Even if we are successful in entering into a strategic transaction, the terms and conditions of that transaction may restrict us from entering into future agreements with other potential collaborators. Additionally, such strategic transactions may not be favorable to investors nor deliver any anticipated benefits by the time of business integration.

We need to obtain substantial funding in the **very near term** in order to continue operations and our exploration of strategic alternatives.

We require significant capital resources in order to continue to operate our business and conduct our exploration of strategic alternatives, and our **very** limited liquidity could materially and adversely affect our business operations. Because we have no current source of revenue or committed financing, our current available cash and cash equivalents provide us with **very** limited liquidity. **We believe that our** Our existing cash and cash equivalents **could allow are not sufficient for us to continue** to fund our business **operations into early operations.** **Substantial additional funding is needed in the fourth quarter of 2023; however, it is very difficult to project our current monthly cash burn rate given the transitional status of the Company and this estimate may prove inaccurate and we may expend our limited resources sooner. near term.** Any such required additional capital may not be available on reasonable terms, if at all, due to a variety of factors, including uncertainty about the future direction of the Company and investor reaction to our new controlling **stockholder stockholders** and **board and management** composition, as well as broader conditions in the economy and capital markets, including recent volatility caused by inflation, questions about bank stability and other factors. The Company has already engaged in significant cost reductions, so our ability to further cut costs and extend our operating runway is limited. Without sufficient additional capital funding in the **very** near term, we may be required, among other things, to seek bankruptcy **protection. protection and/or cease operations.**

We may not be able to redeem our Bonds.

In March 2024, the Company notified the issuer of the Bonds that it was exercising its redemption right with respect to the entire principal amount of the Bonds after the first anniversary of their issue dates (May 3 and May 16, 2024, respectively) for an aggregate redemption price of \$2.090 million (representing the principal amount plus 4.5% per annum yield to the redemption date).

The Bonds indicate that the Company may request redemption on the first anniversary of the issue date, the Bonds contain schedules for dates of redemption notices and redemption prices that do not contemplate a first redemption date until three months after the first anniversary of the issue dates. Although the Company believes this was a clear error and is inconsistent with the plain language that the Bonds are redeemable on the first anniversary of their issue dates, the issuer has taken the position that the Bonds are not redeemable until August 3, 2024 and August 16, 2024.

The Company expects to continue to seek to redeem the Bonds as soon as practicable. However, there can be no assurance that the Company will be able to do so, in the near term or at all. The Company is aware that the parent company of CBI USA holds similar bonds from the same issuer and has been unable to redeem their bonds despite making a request to do so. CBI USA's parent company has also unsuccessfully demanded acceleration of their bonds based on alleged defaults. If we are unable to redeem the Bonds, or otherwise recognize value from them, it will adversely impact our financial condition and prospects.

Our controlling **stockholder, stockholders**, executive officers and members of our board, have limited experience controlling or governing a public company operating in the United States.

Our controlling **stockholder has stockholders have** not previously controlled a U.S. public company. In addition, **the majority of our board is made of up Korean citizens, and** no members of the board or our chief executive officer or chief financial officer have experience serving as directors or management of a U.S. publicly traded company. This could make it difficult to ensure that the Company complies with all applicable laws and stock exchange requirements, maintains adequate internal and disclosure controls and appropriately assesses and manages risk. This concern is exacerbated by the limited resources the Company has following recent reductions in force, and if there are further reductions in force or members of management leave the Company, it may be very difficult to manage this risk. The transitional state of the Company and ongoing exploration of strategic alternatives also exacerbates the challenging environment in this respect. If the board of directors does not successfully or efficiently manage their roles and responsibilities, including the significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of investors, our prospects may be adversely impacted. In addition, against this backdrop, it may be difficult to earn the confidence of

prospective investors or strategic partners, threatening our ability to obtain much needed financing and hindering our exploration of strategic alternatives.

Turnover of our board and senior management, and any inability to attract and retain qualified management and other key personnel, could impair our ability to implement our business plan.

As we continue our exploration of strategic alternatives, and potentially pursue transactions involving new business lines or industries, we expect significant may experience additional turnover in our board and senior management. Departures of members of our senior management team and board members have created, and will create if they continue, significant continuity risks and challenges to our ability to operate our business, assess and manage risks and comply with applicable laws. If key members of our senior management team depart, which we believe is likely in the near term, it will be important that we attract and retain qualified managers promptly and develop and implement an effective succession plan. We expect to face significant competition in attracting experienced executives and other key personnel, and there can be no assurance that we will be able to do so. In addition, there are significant uncertainties as to how our controlled company status, transitional state of operations, financial condition and related matters will impact our ability to attract the necessary personnel and manage these succession risks. Depending on the circumstances of any management departures, it is also possible that we will be required to pay significant severance, adversely impacting our financial condition. Our urgent need to raise capital and engage with potential partners in strategic transactions magnify these risks. If we are unable to adequately address these concerns in the near term, and earn the confidence of potential investors and/or business partners, our prospects and financial condition would be adversely impacted.

Our consolidated financial statements have been prepared assuming that we will continue as a going concern.

Our ability to continue as a going concern will require us to obtain additional funding. Based on our current operating plans and existing working capital at June 30, 2023 September 30, 2023, our current liquidity is not sufficient to continue to fund operations over the next twelve months from the date of the issuance of the accompanying consolidated financial statements, operations. As a result, there is substantial doubt about our ability to continue as a going concern. Substantial additional financing will be needed by us in the very near term to fund our operations and exploration of strategic alternatives in the near term. Although we currently estimate that available funds could be sufficient into early in the fourth quarter of 2023, we have based these estimates on assumptions that may prove to be wrong, and we could spend our available financial resources much faster than we currently expect. It is very difficult to project our current monthly cash burn rate given the transitional status of the Company as we explore strategic alternatives. The perception of our ability to continue as a going concern may make it more difficult for us to obtain financing for the continuation of our operations and could result in the loss of confidence by investors and employees. Obtaining additional financing contains risks, including:

- additional equity financing may not be available to us on satisfactory terms and any equity we are able to issue could lead to dilution for current stockholders;
- loans or other debt instruments may have terms and/or conditions, such as interest rate, restrictive covenants and control or revocation provisions;
- the current environment in capital markets combined with our capital constraints may prevent us from being able to obtain adequate debt financing; and
- if we fail to obtain required additional financing to grow our business we may need to seek bankruptcy protection in the near term.

We currently do not comply with the Nasdaq continued listing requirements. Our common stock may be delisted from Nasdaq which could negatively impact the price of our common stock, liquidity and our ability to access the capital markets.

Our common stock is currently listed on Nasdaq under the symbol "XCUR." As previously disclosed, the Company has received numerous deficiency notes with respect to various Nasdaq listing requirements in the past year. These related to, or may in the future relate to:

- Compliance with Nasdaq's minimum bid price rule due to the Company's stock trading below \$1.00 for a sustained period of time. The Company effected a one-for-thirty reverse stock split on June 29, 2022 in order to attempt to raise the stock price. As On September 13, 2023, the Company received a delinquency notification that the closing bid price of August 9, 2023, the Company's stock traded below \$1.00 for the previous 30 consecutive business days. The Company's stock price closed at \$0.86, has remained below \$1.00 since receipt of the notification, which must be cured by September 9, 2024, per the March 12, 2024 extension letter received from Nasdaq.
- Compliance with Nasdaq's rule requiring stockholders' equity of at least \$2,500,000 based on the Company's balance sheet as of June 30, 2023 September 30, 2023. The Company believes it is in compliance with this requirement based on its June 30, 2023 September 30, 2023 balance sheet, but there can be no assurance it will remain in compliance.
- Compliance with Nasdaq's corporate governance requirements with respect to board and committee composition due to (i) the lack of a majority independent board, (ii) the lack of an audit committee comprised of three independent directors and (iii) the lack of a compensation committee comprised of at least two independent directors. With composition. The Company has received numerous deficiency notifications with respect to these requirements in the majority independence and past year. Although the audit committee requirements, Company believes it is currently in compliance, there can be no assurance it will remain in compliance.
- On November 22, 2023, the Company received a delinquency notification as it had not filed its third quarter Form 10-Q at the deadline. We expect this delinquency will be cured by this filing.
- Compliance with Nasdaq's requirement to hold an annual meeting. On January 11, 2024, Nasdaq informed notified the Company that it was did not entitled to a cure period and must submit a plan to regain compliance no later than April 10, 2023. Following the closing of the Private Placement, the Company qualifies for Nasdaq's controlled company exemptions from the comply with listing requirements to have a majority independent board and independent compensation committee, by not holding an annual meeting in 2023. The Company must still have an audit committee comprised of three independent directors. On May 10, 2023 the Company received an additional

delinquency notification regarding compliance with the listing requirements for an audit committee to be comprised of at least three independent directors. extension letter on March 12, 2024 from Nasdaq noting it must hold its annual meeting by June 28, 2024

- On August 4, 2023 April 17, 2024, the Company received an additional a delinquency notification regarding compliance with the listing requirements for an audit committee to be comprised of at least three independent directors. The audit committee is currently comprised of only one independent director, and therefore, the Company is no longer eligible as it had not filed its Annual Report Form 10-K for the cure period described in the delinquency notification received on May 10, 2023, and previously disclosed. Under Rule 5605(c)(2), the Company has 45 calendar days to submit a plan to regain compliance. If the Company's plan is accepted, Nasdaq can grant an extension of up to 180 calendar days from the date of the delinquency notification. The Company is searching for qualified candidates to add as independent directors. year ended December 31, 2023.

We may not be able to regain compliance with Nasdaq's listing requirements and our failure to do so may result in the delisting of our Common Stock by Nasdaq. Even if the Company regains compliance with Nasdaq's listing requirements and addresses the outstanding deficiency notices to Nasdaq's satisfaction, there can be no assurance that the Company will remain in compliance with Nasdaq's requirements and will not be delisted.

If Nasdaq delists our securities from trading on its exchange for failure to meet the listing standards, we and our stockholders could face significant negative consequences including:

- limited availability of market quotations and liquidity for our securities;
- a determination that the common stock is a "penny stock" which would require brokers trading in the common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for shares of common stock;
- a limited amount of analyst coverage, if any; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Delisting from Nasdaq could also result in other negative consequences, including the potential loss of institutional investor interest and make obtaining new financing much more challenging. In addition, fewer strategic opportunities may be available, particularly from counterparties that are interested in combining with a listed company.

We have a history of losses. We expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability, which could result in a decline in the market value of our common stock.

Between our inception in June 2011 and the Company's decision to engage in a broader exploration of strategic alternatives, we devoted our resources to the development of SNA technology, and are currently exploring out-licensing opportunities and strategic alternatives to maximize stockholder value. We have had significant operating losses since our

inception. As of June 30, 2023 September 30, 2023, we have generated an accumulated deficit of \$201.7 million \$206.9 million. For the six nine months ended June 30, 2023 September 30, 2023 and 2022, our net loss was \$10.2 million \$15.4 million and \$15.8 million \$21.0 million, respectively. Substantially all of our losses have resulted from expenses incurred in connection with our research programs and from general and administrative costs associated with our operations.

We have not generated, and do not expect to generate, any product revenue for the foreseeable future and currently have no source of revenue or committed financing, and we expect to continue to incur significant operating losses for the foreseeable future. The amount of future losses is uncertain. Our future financial performance and condition are substantially dependent on the results of our ongoing exploration of strategic alternatives, and we cannot predict whether we will be successful.

We are pursuing asset out-licenses, asset sales and similar strategic transactions with respect to our historical assets. There can be no assurance that we will be successful in executing such a strategic transaction.

These strategic alternatives may include a variety of different business arrangements, such as the sale of certain of our assets, out-licensing, strategic partnerships, joint ventures, restructurings, divestitures, investments transaction and other alternatives. We may not be able to identify or consummate a suitable transaction as a result of at this review, or any transactions that we are able to identify and consummate may not provide material benefits to our stockholders. Based on the interest in these assets that we have seen to date, point we do not currently expect any such transaction these efforts to provide generate significant value at least in the near term. for our stockholders.

Our internal computer systems, or those of contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our business operations.

Despite the implementation of security measures, our internal computer systems and those of our contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruptions of our operations. For instance, theft or other exposure of data may interfere with our ability to protect our intellectual property, trade secrets, and other information critical to our operations. We can provide no assurances that certain sensitive and proprietary information relating to one or more of our therapeutic candidates has not been, or will not in the future e, compromised. Although we have invested resources to enhance the security of our computer systems, there can be no assurances we will not experience additional unauthorized intrusions into our computer systems, or those of our contractors and consultants, that we will successfully detect future unauthorized intrusions in a timely manner, or that future unauthorized intrusions will not result in material adverse effects on our financial condition, reputation, or business prospects. Payments related to the elimination of ransomware may materially affect our financial condition and results of operations.

To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the development of our therapeutic candidates could be delayed.

Our information technology systems could face serious disruptions that could adversely affect our business.

Our information technology and other internal infrastructure systems, including corporate firewalls, servers, documents storage systems, backup systems, leased lines and connection to the Internet, face the risk of systemic failure that could disrupt our operations. A significant disruption in the availability of our information technology and other internal infrastructure systems could cause interruptions and delays in our operations.

Our business and operations could suffer in the event of system failures or unauthorized or inappropriate use of or access to our information technology systems.

We are increasingly dependent on our information technology systems and infrastructure for our business. We collect, store and transmit sensitive information including intellectual property, proprietary business information and personal information in connection with business operations. The secure maintenance of this information is critical to our operations and business strategy. Some of this information could be an attractive target of criminal attack or unauthorized access and use by third parties with a wide range of motives and expertise, including organized criminal groups, "hacktivists," patient groups, disgruntled current or former employees and others. Cyber-attacks are of ever-increasing levels of sophistication, and despite our security measures, our information technology systems and infrastructure may be vulnerable to such attacks or may be breached, including due to employee error or malfeasance.

The pervasiveness of cybersecurity incidents in general and the risks of cyber-crime are complex and continue to evolve. Although we are making significant efforts to maintain the security and integrity of our information systems and are exploring various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Despite the implementation of security measures, our internal computer systems and those of our employees, contractors and consultants are vulnerable to damage or interruption from computer viruses, unauthorized or inappropriate access or use, natural disasters, pandemics (including COVID-19), terrorism, war, and telecommunication and electrical failures. Such events could cause interruption of our operations. For example, the loss or compromise of

preclinical data for our therapeutic candidates could result in delays in our regulatory filings and development efforts, as well as delays in the commercialization of our products, and significantly increase our costs. To the extent that any disruption, security breach or unauthorized or inappropriate use or access to our systems were to result in a loss of or damage to our data, or inappropriate disclosure of confidential or proprietary information, including but not limited to patient, employee or vendor information, we could incur notification obligations to affected individuals and government agencies, liability, including potential lawsuits from patients, collaborators, employees, stockholders or other third parties and liability under foreign, federal and state laws that protect the privacy and security of personal information, and the development and potential commercialization of our therapeutic candidates could be delayed. Existing insurance

arrangements may not provide protection for the costs that may arise from such loss or damage. Any long-term disruption in our ability to access our information technology systems could have a material adverse effect on our operations, our business, results of operations and stock price.

Increasing scrutiny and changing expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.

Companies are facing increasing scrutiny from customers, regulators, investors, and other stakeholders related to their environmental, social and governance practices. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, supply chain management, diversity and human rights. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation and the price of our ordinary shares.

Any of the factors mentioned above, or the perception that we or our suppliers, or contract manufacturers or collaborators have not responded appropriately to the growing concern for such issues, regardless of whether we are legally required to do so, may damage our reputation and have a material adverse effect on our business, financial condition, results of operations cash flows and/or ordinary share price.

Our current operations are concentrated in one location and any events affecting this location may have material adverse consequences.

Our current operations are located in our facilities situated in Chicago, Illinois. Any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics, power shortage, telecommunication failure or other natural or man-made accidents or incidents that result in us being unable to fully utilize the facilities, may have a material adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, or interruption of our business operations. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption may have a material adverse effect on our business, financial position, results of operations and prospects.

The investment of our cash, cash equivalents and fixed income marketable securities is subject to risks which may cause losses and affect the liquidity of these investments.

As of June 30, 2023, we had \$3.5 million in cash, cash equivalents, and restricted cash. We invest our excess cash in U.S. government or U.S. government agency securities, floating rate and variable rate demand notes of U.S. and foreign corporations, and commercial paper. These investments are subject to general credit, liquidity, market and interest

rate risks, including potential future impacts from economic, capital market or bank instability. We may from time to time have balances in bank accounts that are in excess of insured deposit limits, and could be subject to risks of bank failures. We may realize losses in the fair value of these investments, an inability to access cash in these investments for a potentially meaningful period, or a complete loss of these investments, which would have a negative effect on our financial statements.

In addition, should our investments cease paying or reduce the amount of interest paid to us, our interest income would suffer. The market risks associated with our investment portfolio may have an adverse effect on our results of operations, liquidity and financial condition.

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

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act, and the rules and regulations of Nasdaq. Pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, we are required to perform system and process evaluation and testing of our internal control over financial reporting to allow our management to report on the effectiveness of our internal control over financial reporting. However, while we remain a non-accelerated filer or an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

During the evaluation and testing process, we identified material weaknesses as described under Part I, Item 4 of this Form 10-Q. If we fail to remediate that material weakness, or if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. Further, we may in the future discover additional weaknesses in our system of internal financial and accounting controls and procedures that could result in an additional material misstatement of our financial statements. Moreover, our internal controls over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. Moreover, we are aware that the remote working arrangements implemented in connection with the COVID-19 pandemic potentially present new areas of risk, and we continue to carefully monitor any impact to our internal controls and procedures.

Our limited resources and recent reductions in force, as well as the turnover in our board of directors and the potential for future management changes, present significant continuity risk and could impact our ability to remediate our material weaknesses and maintain effective internal control over financial reporting, reporting in the future.

If we are unable to remedy our material weaknesses and assert that our internal control over financial reporting is effective, investors could lose confidence in the reliability of our financial statements, the market price of our stock could decline and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities.

Risks Related to Intellectual Property

We currently license patent rights from Northwestern University. If Northwestern University does not properly or successfully obtain, maintain or enforce the patents underlying such licenses, or if they retain or license to others any competing rights, our competitive position and business prospects may be adversely affected.

We rely on intellectual property rights licensed from third parties to protect our technology. We are a party to a number of licenses that give us rights to third-party intellectual property that is necessary or useful for our business. In particular, we have a license from Northwestern University, which provides us the exclusive worldwide right under certain patents and patent applications owned by Northwestern University to exploit therapeutics and processes using nanoparticles, nanotechnology, microtechnology and nanomaterial-based constructs as therapeutics or accompanying therapeutics as a means of administration. To the extent we are successful in selling, licensing or otherwise generating value from our historical assets, it would depend significantly on the value of the rights licenses from Northwestern. We may also license additional third-party intellectual property in the future. Our success will depend in part on the ability The restatement of our licensors to obtain, maintain prior quarterly financial statements may affect stockholder and enforce patent protection for our licensed intellectual property, and investor confidence in particular, for those patents to which we have secured exclusive rights. Our licensors may not successfully prosecute the patent applications licensed to us. Even if patents issue us or are granted, our licensors may fail to maintain these patents, may determine not to pursue litigation against other companies that are infringing these patents, or may pursue litigation less aggressively than we would. Further, we may not obtain exclusive rights, which would allow for third parties to develop competing therapeutics. Without protection for, or exclusive rights to, the intellectual property we license, other companies might be able to offer substantially identical therapeutics for sale, which could adversely affect our competitive business position and harm our business prospects.

We reputation, and may subject us to additional risks and uncertainties, including increased costs and the increased possibility of legal proceedings and regulatory inquiries, sanctions or our licensors, or any current or future strategic partners, may become subject to third-party claims or litigation alleging infringement of patents or other proprietary rights or seeking to invalidate patents or other proprietary rights, and we may need to resort to litigation to protect or enforce our patents or other proprietary rights, all of which could be costly, time consuming, or put our patents and other proprietary rights at risk.

We or our licensors, or any current or future strategic partners, may be subject to third-party claims for infringement or misappropriation of patent or other proprietary rights. We are generally obligated under our license agreements to indemnify and hold harmless our licensors for damages arising from intellectual property infringement by us. If we or our licensors, or any current or future strategic partners, are found to infringe a third-party patent or other intellectual property rights, we could be required to pay damages, potentially including treble damages, if we are found to have willfully infringed. In addition, we or our licensors, or any current or future strategic partners, may choose to seek, or be required to seek, a license from a third-party, which may not be available on acceptable terms, if at all. Even if a license can be obtained on acceptable terms, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. If we fail to obtain a required license, we or any current or future collaborator may be unable to effectively market therapeutic candidates based on our technology, which could limit our ability to generate revenue or achieve profitability and possibly prevent us from generating revenue sufficient to sustain our operations. In addition, we may find it necessary to pursue claims or initiate lawsuits to protect or enforce our patent or other intellectual property rights. The cost to us in defending or initiating any litigation or other proceeding relating to investigations.

patent Management identified material weaknesses in the Company's internal control over financial reporting and restated its first quarter and second quarter unaudited interim condensed consolidated via Form 10-Q/A's. As a result of the restatement, we have incurred, and may continue to incur, unanticipated costs for accounting and legal fees in connection with, or related to, such restatement. In addition, such restatement could subject us to a number of additional risks and uncertainties, including the increased possibility of legal proceedings and inquiries, sanctions or investigations by the SEC or other proprietary rights, even if resolved in regulatory authorities. Any of the foregoing may adversely affect our favor, could be substantial, reputation, the accuracy and litigation would divert our management's attention. Some timing of our competitors may be able financial reporting, or our business, results of operations, liquidity and financial condition, or cause stockholders, investors, members and customers to sustain lose confidence in the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation accuracy and continuation of patent litigation or other proceedings could delay our research and development efforts and limit our ability to continue our operations.

If we were to initiate legal proceedings against a third-party to enforce a patent covering one completeness of our therapeutics financial reports or our technology, cause the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the U.S., defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more market price of our therapeutics or certain aspects of our technology. Such a loss of patent protection could have a material adverse impact on our business. Patents and other intellectual property rights also will not protect our technology if competitors design around our protected technology without legally infringing our patents or other intellectual property rights.

It is also possible that we have failed common stock to identify relevant third-party patents or applications. For example, U.S. applications filed before November 29, 2000 and certain U.S. applications filed after that date that will not be filed outside the U.S. remain confidential until patents issue. Patent applications in the U.S. and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our therapeutics or technology could have been filed by others without our knowledge. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our SNA technology, our therapeutics or the use of our therapeutics. Third-party intellectual property right holders may also actively bring infringement claims against us. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing our therapeutics. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our therapeutic candidates that are held to be infringing. We might, if possible, also be forced to redesign therapeutic candidates so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

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

We may also be subject to claims that former employees or other third parties have an ownership interest in our patents or other intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and distraction to management and other employees.

If we fail to comply with our obligations under any license, collaboration or other agreements, we may be required to pay damages and could lose intellectual property rights that are necessary for developing and protecting our therapeutic candidates or we could lose certain rights to grant sublicenses.

Our current licenses impose, and any future licenses we enter into are likely to impose, various development, commercialization, funding, milestone, royalty, diligence, sublicensing, insurance, patent prosecution and enforcement, and other obligations on us. If we breach any of these obligations, or use the intellectual property licensed to us in an unauthorized manner, we may be required to pay damages and the licensor may have the right to terminate the license, which could result in us being unable to develop, manufacture and sell therapeutics that are covered by the licensed technology or could enable a competitor to gain access to the licensed technology. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights in such unlicensed intellectual property. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales

of future therapeutics, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in therapeutics that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize therapeutics, we may be unable to achieve or maintain profitability. decline.

Risks Related to Ownership of Our Common Stock

Our status as a "controlled company" The influence of our significant stockholders could make our Common Stock less attractive to some investors or otherwise harm the trading price of our Common Stock.

More than 50% CBI USA and DGP collectively own approximately 45% of our voting power is held by CBI USA. As a result, we are outstanding Common Stock and exercise significant influence over us. We previously had been a "controlled company" under the corporate governance rules for Nasdaq-listed companies and may elect still do not to comply with certain Nasdaq corporate governance have a majority independent board based on the phase-in requirements with respect to board independence and compensation and nominating committee functions. We are relying on these exceptions. Following the closing for companies after they lose "controlled company" status. Members of the Private Placement, our board includes 5 members, 2 of whom and management are directly affiliated or associated with CBI USA or were otherwise delegated by CBI USA. and DGP. Investors may be hesitant to invest in the Company absent compliance with these governance requirements. given the influence of CBI and DGP. In addition, should the interest or interests of our controlling stockholder stockholders differ from those of other stockholders, the other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance rules for Nasdaq-listed companies. Our status as a controlled company could make our Common Stock less attractive to some investors, including but not limited to potential strategic partners, or otherwise harm our stock price.

Additionally, it is possible we could pursue strategic or financing transactions with our controlling stockholder stockholders or its their affiliates. The interests of the controlling stockholder stockholders and other stockholders would diverge in this case, and the lack of an independent board to evaluate such a transaction could adversely impact other stockholders. These conflicts of interest (or the perception that they could occur) might adversely affect our business and prospects for obtaining financing or completing a strategic transaction.

For so long as CBI USA owns and DGP own a majority of our common stock, it significant stake, they (and/or their transferees) will have sufficient votes to elect a majority substantial control over the elections of our directors and to approve any other corporate action requiring the affirmative vote of holders of a majority of the outstanding shares of our Common Stock. Our control by a single stockholder, and our reliance on the Nasdaq controlled company exemptions, This could deter investment in the Company and adversely impact our stock price and ability to obtain financing. These impacts may be more pronounced in the near term as investors assess the direction of the Company under the control of CBI USA and DGP and the actions of the new board. board and management. DGP's recently announced agreement to sell its shares to a third party could also deter investment as it creates uncertainty as to the transferee's intentions with respect to the Company. If DGP's sale is completed, the third party transferee would become the Company's largest stockholder.

Potential partners considering engaging in a strategic transaction with the Company could have similar concerns. Given our urgent need for additional funding and/or to complete a strategic transaction, it is imperative that our controlling stockholder stockholders and our board and management earn the confidence of investors and potential partners in the near term and there is no assurance this will occur.

The market price of our common stock has been, and is likely to continue to be, highly volatile, and you may not be able to resell your shares at or above the price you paid for them.

Our stock price will continue to be volatile. As a result of this volatility, investors may not be able to sell their common stock at or above the price paid for the shares. The market price for our common stock may be influenced by a variety of factors, including the other risks described in this section titled "Risk Factors" and the following:

- our ability or inability to raise additional capital and the terms on which we raise it;
- the development, execution and announcement of any proposed strategic alternative;
- investors may react negatively to our controlled company status and the influence of our controlling stockholder or our reconstituted board and/or our uncertain business strategy;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- we are unable to achieve the perceived benefits of our Company as rapidly or to the extent anticipated by financial or industry analysts; and
- changes in general economic, industry, political and market conditions, including, but not limited to, the ongoing impact of the COVID-19 pandemic.

In addition, the stock markets in general, and the markets for pharmaceutical and biotechnology stocks in particular, have experienced extreme volatility that has been often unrelated to the operating performance of the issuer. These broad

market and industry factors, such as those related to the COVID-19 pandemic, and Russia's invasion of Ukraine, and the Israel/Hamas war and retaliatory actions taken by the United States, NATO and others, may seriously harm the market price of our common stock, regardless of our operating performance.

Raising additional funds by issuing securities may cause dilution to existing stockholders and raising funds through lending and licensing arrangements may restrict our operations or require us to relinquish proprietary rights.

Until such time, if ever, as we can generate substantial revenues, we expect to attempt to finance our cash needs through a combination of equity offerings and debt financings. As discussed elsewhere, it may be very challenging to obtain equity or debt financing given the current transitional state of the Company. However, to the extent that we raise additional capital through the issuance of shares or other securities convertible into shares, our stockholders will be diluted. Future issuances of our common stock or other equity securities, or the perception that such sales may occur, could adversely affect the prevailing market price of our common stock and impair our ability to raise capital through future offerings of equity or equity-linked securities.

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

We are an "emerging growth company" as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, (2) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. In addition, as an emerging growth company, we are only required to provide two years of audited financial statements and two years of selected financial data. We expect to lose emerging growth company status at the end of this year. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company" and/or "non-accelerated filer" which would allow us to take advantage of many of the same exemptions from disclosure requirements including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation

in our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile.

Anti-takeover provisions in our charter documents and under the General Corporation Law of the State of Delaware could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our management.

Provisions in our amended and restated certificate of incorporation and our bylaws may delay or prevent an acquisition of us or a change in our management. These provisions include a classified board of directors, a prohibition on actions by written consent of our stockholders, and the ability of the Board of Directors of the Company, or the Board, to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, or DGCL, which prohibits stockholders owning in excess of 15% of the outstanding combined organization voting stock from merging or combining with the combined organization. Although we believe these provisions collectively will provide for an opportunity to receive higher bids by requiring potential acquirers to negotiate with our Board, they would apply even if the offer may be considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove then-current management by making it more difficult for stockholders to replace members of the Board, which is responsible for appointing the members of management.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders,

which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any of the following types of actions or proceedings under Delaware statutory or common law: derivative action or proceeding brought on our behalf, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws or any action asserting a claim that is

governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claims for which a court or forum other than the Court of Chancery has exclusive jurisdiction or for which the Court of Chancery does not have subject matter jurisdiction. Furthermore, Section 22 of the Securities Act, creates concurrent jurisdiction for federal and state courts over all Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. Our amended and restated certificate of incorporation also provides that any person purchasing or otherwise acquiring any interest in any shares of our common stock shall be deemed to have notice of and to have consented to this provision of our amended and restated certificate of incorporation.

This choice of forum provision may limit our stockholders' ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. The Court of Chancery may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. If a court were to find this exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in any action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could have a material adverse effect on our business, financial condition or results of operations.

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

We have incurred substantial losses during our history and do not expect to become profitable in the near future and we may never achieve profitability. Our net operating loss, or NOL, carryforwards generated in tax years beginning on or before December 31, 2017, are only permitted to be carried forward for 20 years under applicable U.S. tax law. Under the Tax Cuts and Jobs Act, as modified by the CARES Act, our federal NOLs generated in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal NOLs is limited to 80% of taxable income. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation's ability to use its pre-change NOL, and other pre-change tax attributes (such as research tax credits) to offset its post-change income or taxes may be limited. We have experienced ownership changes in the past. We completed a review of our changes in ownership through December 31, 2022 and determined that we experienced an "ownership change" within the meaning of Section 382(g) during the fourth quarter of 2022. This ownership change has and will continue to subject our net operating loss carryforwards to an annual limitation, which will significantly restrict our ability to use them to offset our taxable income in periods following the ownership change.

We determined that at the date of the 2022 ownership change, we had a net unrealized built-in loss ("NUBIL"). The NUBIL was determined based on the difference between the fair market value of our assets and their tax basis at the ownership change date. Because of the NUBIL, certain deductions recognized during the five-year period beginning on the date of the IRC Section 382 ownership change (the "recognition period") are subject to the same limitation as the net operating loss carryforwards or certain other deductions.

In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which are outside of our control. As a result, if we earn net taxable income, our ability to use our pre-change NOL carryforwards to offset U.S. federal taxable income may be subject to limitations, which could potentially result in increased future tax liability to us. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

General Risk Factors

FINRA sales practice requirements may limit a stockholder's ability to buy and sell our stock due to our low stock price.

The Financial Industry Regulatory Authority, or FINRA, has adopted rules requiring that, in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative or low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA has indicated its belief that there is a high

probability that speculative or low-priced securities will not be suitable for at least some customers. If these FINRA requirements are applicable to us or our securities, which we believe they are, they may make it more difficult for broker-dealers to recommend that at least some of their customers buy our common stock, which may limit the ability of our stockholders to buy and sell our common stock and could have an adverse effect on the market for and price of our common stock.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. Our research coverage by securities and industry analysts is currently limited. In addition, because we did not become a reporting company by conducting an underwritten initial public offering of our common stock, security analysts of brokerage firms may not provide wider coverage of our Company. In addition, investment banks may be less likely to agree to underwrite secondary offerings on our behalf than they might if we became a public reporting company by means of an underwritten initial public offering, because they may be less familiar with our Company as a result of more limited coverage by analysts and the media, and because we became public at an early stage in our development. The failure to receive wider research coverage or support in the market for our shares will have an adverse effect on our ability to develop a liquid market for our common stock and the trading price for our stock would be negatively impacted.

In the event we obtain wider securities or industry analyst coverage, if any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our target studies and operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits

Incorporated by Reference

Exhibit No.	Exhibit Description	Form	Exhibit No.	Filing Date	File No.
3.1	Certificate of Amendment to Certificate of Incorporation, filed with the Secretary of State of the State of Delaware on September 26, 2017.	8-K	3.2	10/02/17	000-55764
3.2	Amended and Restated Certificate of Incorporation, as filed with the Secretary of State of the State of Delaware on November 15, 2017.	10-K	3.3	3/11/21	001-39011
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Exicure, Inc., effective June 29, 2022.	8-K	3.1	06/29/22	001-39011
3.4	Amended and Restated Bylaws, as currently in effect.	8-K	3.4	10/02/17	000-55764
10.1	Employment Agreement, dated April 27, 2023, among Exicure, Inc. and Jung S. Kim.	8-K	10.1	05/02/23	001-39011
10.2	Separation and Release Agreement, dated April 26, 2023, among Exicure, Inc. and Matthias Schroff.	8-K	10.2	05/02/23	001-39011
10.3	Separation and Release Agreement, dated April 26, 2023, among Exicure, Inc. and Elias Papadimas.	8-K	10.3	05/02/23	001-39011
10.4	Convertible Bond Subscription Agreement, dated May 3, 2023, among Cyworld Z Co., Ltd. and Exicure, Inc.	8-K	10.1	05/09/23	001-39011
10.5	Convertible Bond Subscription Agreement, dated May 16, 2023, among Cyworld Z Co., Ltd. and Exicure, Inc.	8-K	10.1	05/18/23	001-39011
10.6	Separation and Release Agreement, dated May 27, 2023, among Exicure, Inc. and Sarah Longoria.	8-K	10.1	06/01/23	001-39011
10.7	Amended and Restated Employment Agreement, dated May 24, 2023, among Exicure, Inc. and Joshua Miller.	8-K	10.2	06/01/23	001-39011
10.8	Retention Agreement, dated May 24, 2023, among Exicure, Inc. and Joshua Miller.	8-K	10.3	06/01/23	001-39011
10.9	First Amendment to the Separation and Release Agreement of Matthias Schroff, dated June 12, 2023, among Exicure, Inc. and Matthias Schroff.	8-K	10.1	06/14/23	001-39011

Incorporated by Reference					
Exhibit No.	Exhibit Description	Form	Exhibit No.	Filing Date	File No.
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3.4	Amended and Restated Bylaws, as currently in effect.	8-K	3.4	10/02/17	000-55764
10.1	Employment Agreement, dated Aug. 28, 2023, among Exicure, Inc. and Paul Kang	8-K	10.1	08/23/23	001-39011
10.2	Employment Agreement, dated Aug. 28, 2023, among Exicure, Inc. and Jiyoung Hwang	8-K	10.2	08/23/23	001-39011

31.1*	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934. As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934. As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350. As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document

31.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934. As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350. As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Indicates that portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

* Filed herewith.

** The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is not deemed filed with the SEC and is not to be incorporated by reference into any filing of Exicure, 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 such Form 10-Q), irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Date: August 11, 2023 May 16, 2024

EXICURE, INC.

By: /s/ Jung Sang Kim Paul Kang
Jung Sang Kim Paul Kang
Chief Executive Officer Chief Financial Officer and President

By: /s/ Joshua Miller
Joshua Miller
Chief Accounting Officer

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Exhibit 10.1

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement"), by and among Exicure, Inc. (the "Company") and Jung S. Kim Paul Kang ("You" or "Your") (the Company and You each a "Party", and collectively the "Parties"), is entered into and effective as of April 27, 2023 August 28, 2023 (the "Effective Date").¹

WHEREAS, the Company desires to employ You as its Chief Executive Officer and You desire to accept said employment by the Company;

WHEREAS, the Company has agreed to employ You in exchange for Your compliance with the terms of this Agreement; and

WHEREAS, the Company and You desire to express the terms and conditions of Your employment in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Employment and Duties.

(a) Position. As of the Effective Date, the Company shall employ You as its Chief Executive Officer. The Company may change Your position, title, responsibilities, and/or duties as the Company's needs change. While serving as Chief Executive Officer of the Company, You shall serve on the Board of the Company.

(b) Reporting. You shall report directly and exclusively to the Board of Directors ("Board") of the Company.

(c) Duties. You agree to make best efforts to perform the duties as set forth in Exhibit B (the "Duties") and as may otherwise be assigned to You by the Company from time to time in its sole and absolute discretion. discretion as needed. You agree to act at all times to the best of Your knowledge in the best interests of the Company. You further agree to promptly report to the Board all material decisions made by You related to the Duties and the Company's business, operations, and finances.

(d) Devotion of Time. You agree to (i) devote all necessary working time required of Your position, (ii) devote Your best efforts, skill, and energies to promote and advance the business and/or interests of the Company, and (iii) fully perform Your obligations under this Agreement. During Your employment, You shall not render services to any other entity, regardless of whether You receive compensation, without the prior written consent of the Company. Notwithstanding

the foregoing, the Company acknowledges and agrees that You currently hold a director position officer positions at Hanil Energy Co. Alta Companies Ltd. in Korea, and CBI USA, Inc. In addition, You may (i) engage in community, charitable, and educational activities, (ii) manage Your personal investments, and (iii) with the prior written consent of the Company, serve on corporate boards or committees, provided that such activities in subclauses (i) through (iii) do not conflict or interfere with the performance of Your obligations under this Agreement or conflict with the interests of the Company.

(e) Company Policies. You agree to comply with the policies and procedures of the Company as may be adopted and changed from time to time, including those described in the Company's employee policies, handbook. If this Agreement conflicts with such policies or procedures, this Agreement shall control.

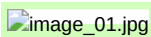
(f) Fiduciary Duties. As an officer of the Company, You owe a duty of care and loyalty to the Company, as well as a duty to perform Your Duties in a manner that is in the best interests of the Company. You owe such duties to the Company in addition to duties imposed upon You under applicable law.

(g) Geographic Area. You shall perform Your duties primarily remotely, from Korea, subject to necessary travel requirements.

2. Term. Your employment relationship with the Company is at-will. You may terminate Your employment with the Company at any time and for any reason whatsoever by notifying the Company, and the Company may terminate Your employment at any time with or without cause or advance notice. The period during which You are employed by the Company shall be referred to as the "Employment Period."

3. Compensation and Benefits.

(a) Base Salary. During the Employment Period, the Company shall pay You an annual base salary ("Base Salary") of Three One Hundred Fifty Thousand Dollars (\$300,000.00 150,000), subject to all applicable withholdings, in accordance with



1 Unless otherwise indicated, all capitalized terms used in this Agreement are defined in the "Definitions" section attached as Exhibit A. Exhibit A is incorporated by reference and is included in this Agreement.

the Company's normal payroll practices. Your Base Salary may be adjusted at the discretion of the Board based upon Your performance and the Company's performance, as determined in the sole and absolute discretion of the Board.

1 Unless otherwise indicated, all capitalized terms used in this Agreement are defined in the "Definitions" section attached as Exhibit A. Exhibit A is incorporated by reference and is included in the Definition of this "Agreement"

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Initials

(b) Bonus. During the Employment Period, You may, in the Board's sole and absolute discretion, be eligible to receive a discretionary bonus in connection with a successful sale or other disposition of all or substantially all of the assets of the Company, or other similar transaction (the "Bonus"). You must be employed by the Company as of the closing date of any such transaction to be considered for a Bonus. The Bonus, if any, shall be subject to all applicable withholdings and shall be paid within thirty (30) days after the closing date of such qualifying transaction.

(c) Benefits Plans. During the Employment Period, You are eligible to participate in benefit plans from time to time in effect for executives and employees of the Company, subject to the terms and conditions of such plans as in effect from time to time.

(d) (c) Business Expenses. During the Employment Period, the Company shall reimburse You for all approved business expenses incurred by You in the performance of Your duties under this Agreement in accordance with the policies and procedures of the Company.

4. Indemnification. The Company shall indemnify You to the extent permitted by applicable law from and against any action, suit, proceeding, or liability arising as a direct consequence of the discharge of Your duties under this Agreement or of Your status as an officer or director of the Company.

5. Termination. As an at-will employee, Your employment and this Agreement may be terminated at any time and for any reason including, but not limited to:

(a) Mutual written agreement between by You and the Company at any time;

(b) Your death;

(c) Your disability which renders You unable to perform the essential functions of Your job even with reasonable accommodation, as determined in the Company's sole and absolute discretion;

(d) For Cause. For Cause shall mean a termination or by the Company because of any one of the following events, regardless whether the evidence used to support a for Cause termination is acquired before or after the date Your employment is terminated by the Company:

(i) Your insubordination;

(ii) Your breach of this Agreement or Your fiduciary duty to the Company;

- (iii) Any act or omission by You which injures, or is likely to injure, the Company or the business reputation of the Company;
- (iv) Your dishonesty, fraud, negligence or misconduct;
- (v) Your failure to (i) satisfactorily perform Your duties under this Agreement, (ii) follow the direction of any individual to whom You report, (iii) abide by the policies, procedures, and rules of the Company, or (iv) abide by laws applicable to You in Your capacity as an employee, executive, or officer of the Company;
- (vi) Your arrest, indictment for, conviction of, or entry of a plea of guilty or no contest to, a felony or crime involving moral turpitude; or
- (vii) Your refusal to perform duties unless such refusal is based upon Good Reason;
- (e) Your resignation without Good Reason;
- (f) Your resignation for Good Reason; or
- (g) Without Cause. Without Cause shall mean any termination of employment by the Company other than as set forth in sub-sections (a)-(f) above. Company.

6. Company's Post-Termination Obligations.

- (a) No Post-Termination Obligations. If this Agreement terminates for any reason, (a)-(g) above, then the Company shall shall:
 - (i) pay You all accrued but unpaid wages through the date of Your "separation from service," as defined in Internal Revenue Code Section 409A, based on Your then current Base Salary, through and (ii) pay You separation payment equal to eighteen (18) months of your then current Base Salary (the Base Salary for such calculation not to be less than \$150,000), which will be paid in one-time lump sum within five (5) business days following the date of Your "separation from service" (the "Separation Payment"). You acknowledge and agree that the Separation Payment shall constitute the consideration for the release, noted below, and Your Post-Termination Obligations and shall constitute full satisfaction of the Company's post- termination date. The Company shall have no other obligations under this Agreement. However, the Company's obligation to pay the Separation Payment to You including under any provision shall be conditioned upon the following: Your execution and non-revocation of this Agreement, a reasonable release agreement in a form prepared by the Company policy, or otherwise; however, in its sole and absolute discretion and in which You shall continue to be bound by Section 7 release the Company (including the Company's parents, subsidiaries, affiliates, and all related companies, as well as each of their respective officers, directors, shareholders, employees, agents and any other post-termination obligations to which You representatives, any employee benefits plan of the Company, and any fiduciary of those plans) from any and all liability and claims of any kind whatsoever, regardless whether such claims are subject, including, but not limited to, known at the obligations contained in this Agreement. time of the release.

7. Your Post-Termination Obligations.

- (a) Return of Materials/Property. Upon the termination of Your employment for any reason or upon the Company's request at any time, You shall immediately return to the Company all of the Company's property, including, but not limited to, computers, computer equipment, office equipment, mobile phone, keys, passcards, credit cards, confidential or proprietary lists (including, but not limited to, customer, supplier, licensor, and client lists), rolodexes,

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Initials

tapes, laptop computer, electronic storage device, software, computer files, marketing and sales materials, and any other property, record, document, or piece of equipment belonging to the Company. You shall not (a) retain any copies of the Company's property, including any copies existing in electronic form, which are in Your possession custody, or control, or (b) destroy, delete, or alter any Company property, including, but not limited to, any files stored electronically, without the Company's prior written consent. The obligations contained in this Section shall also apply to any property which belongs to a third party, including, but not limited to, (a) any entity which is affiliated or related to the Company, or (b) the Company's customers, licensors, or suppliers.

- (b) Set-Off. If You have any outstanding obligations to the Company upon the termination of Your employment for any reason, You hereby authorize the Company to deduct any amounts (up to \$10,000) owed to the Company from Your final paycheck and any other amounts that would otherwise be due to You, including under Section 6 above, except to the extent such amounts constitute "deferred compensation" under Internal Revenue Code Section 409A, subject to applicable law and the terms of any applicable benefit plan. 409A. Nothing in this Section 7(b) shall limit the Company's right to pursue means other than or in addition to deduction to recover the full amount of any outstanding obligations to the Company.

- (c) Non-Disparagement. During Your employment and following the termination of Your employment with the Company for any reason, You shall not make any false and disparaging or disparaging/defamatory statements, whether written or oral, regarding the Company, or any of its current or former officers, directors, shareholders, or employees. Nothing in this Paragraph precludes You from making truthful statements required by law, regulation, or legal process, reporting alleged

crimes or unlawful employment practices to any appropriate federal, state, or local governmental agency, or participating in a proceeding with any appropriate federal, state, or local government agency enforcing discrimination laws.

(d) Resignation. Upon the termination of Your employment with the Company for any reason, You shall deliver to the Company a written resignation from all offices, memberships on the Board, and fiduciary positions in which You serve.

(e) Restrictive Covenants.

(i) Acknowledgments and Representations. You acknowledge and agree that: (a) Your position is a position of trust and responsibility with access to Confidential Information, Trade Secrets, and information concerning employees and Customers of the Company; (b) the relationships between the Company and its Customers are of a substantial and near permanent nature and but for Your employment with the Company, You would not have had access to those Customers; (c) the Trade Secrets and Confidential Information, and the good will and/or relationship(s) between the Company and each of its Employees and Customers, are valuable assets of the Company and may not be used for any purpose other than the Company's Business; (d) the names of Customers are considered Confidential Information of the Business which constitutes valuable, special, and unique property of the Company; (e) Customer lists and Customer information, which have been compiled by the Company represent a material investment of the Company's time and money; (f) the Company will invest its time and money in the development of Your skills in the Business; and (g) the restrictions contained in this Agreement, including, but not limited to, the restrictive covenants set forth in Sections 7(e)(ii) through 7(e)(v) below, are reasonable and necessary to protect the legitimate business interests of the Company, and shall not impair or infringe upon Your right to work or earn a living in the event Your employment with the Company ends for any reason.

You represent and warrant that: (i) You are not subject to any legal or contractual duty or agreement that would prevent or prohibit You from performing Your duties for the Company or complying with this Agreement, and (ii) You are not in breach of any legal or contractual duty or agreement, including any agreement concerning trade secrets or confidential information, owned by any other person or entity.

You further agree that during Your employment with the Company and in connection with the performance of Your duties for the Company, You shall not breach any legal or contractual duty or agreement You entered into with any former employer or third party.

(ii) Trade Secrets and Confidential Information. You shall not: (i) use, disclose, reverse engineer, divulge, sell, exchange, furnish, give away, or transfer in any way the Trade Secrets or the Confidential Information for any purpose other than the Company's Business, except as authorized in writing by the Company; (ii) during Your employment with the Company, use, disclose, reverse engineer, divulge, sell, exchange, furnish, give away, or transfer in any way (a) any confidential information or trade secrets of any former employer or third party, or (b) any works of authorship developed in whole or in part by You during any former employment or for any other party, unless authorized in writing by the former employer or third party; or (iii) upon the termination of Your employment for any reason, (a) retain any Trade Secrets or Confidential Information, including any copies existing in any form (including electronic form) that are in Your possession or control, or (b) destroy, delete, or alter the Trade Secrets or Confidential Information without the Company's prior written consent.

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The obligations under this Agreement shall: (i) with regard to the Trade Secrets, remain in effect as long as the information constitutes a trade secret under applicable law; and (ii) with regard to the Confidential Information, remain in effect for so long as such information constitutes Confidential Information as defined in this Agreement.

The confidentiality, property, and proprietary rights protections available in this Agreement are in addition to, and not exclusive of, any and all other rights to which the Company is entitled under federal and state law, including, but not limited to, rights provided under copyright laws, trade secret and confidential information laws, and laws concerning fiduciary duties.

Notwithstanding anything to the contrary set forth in this Agreement, pursuant to the Defend Trade Secrets Act of 2016 (18 U.S.C. § 1833(b)(1)), no individual shall be held criminally or civilly liable under federal or state law for the disclosure of a trade secret that: (1) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (2) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in or about this Agreement prohibits You from: (A) filing and, as provided for under Section 21F of the Securities Exchange Act of 1934, maintaining the confidentiality of a claim with the Securities and Exchange Commission (the "SEC"); (B) providing Confidential Information to the SEC or providing the SEC with information that would otherwise violate Section 7(c) hereof, to the extent permitted by Section 21F of the Securities Exchange Act of 1934; (C) cooperating, participating or assisting in an SEC investigation or proceeding without notifying the Company; or (D) receiving a monetary award as set forth in Section 21F of the Securities Exchange Act of 1934.

(iii) Non-Solicitation of Customers. During the Restricted Period, You shall not directly or indirectly solicit any Customer of the Company for the purpose of selling or providing any products or services competitive with the Business. The restrictions set forth in this Section apply only to Customers with whom You had Contact.

(iv) Non-Recruit of Employees. During the Restricted Period, You shall not, directly or indirectly, solicit, recruit, or induce any Employee to (i) terminate his or her employment relationship with the Company, or (ii) work for any other person or entity engaged in the Business. For the avoidance of doubt, the foregoing restriction shall prohibit You from disclosing to any third party the names, background information, or qualifications of any Employee, or otherwise identifying any Employee as a potential candidate for employment.

(v) Non-Competition. During the Restricted Period, You shall not, on Your own behalf or on behalf of any person or entity, engage in the Business within the Territory. For purposes of this Section, the term "engage in" shall include: (a) performing or participating in any activities which are the same as, or

substantially similar to, activities which You performed or in which You participated, in whole or in part, for or on behalf of the Company with respect to any product or service which competes with any product or service offered by the Company; (b) performing activities or services about which You obtained Confidential Information or Trade Secrets as a result of Your association with the Company; and/or (c) interfering with or negatively impacting the business relationship between the Company and a Customer or any other third party about whom You obtained Confidential Information or Trade Secrets as a result of Your association with the Company.

(vi) Consideration for Restrictive Covenants. You acknowledge and agree that the Company has provided significant, valuable, actual, knowing, and bargained-for consideration in return for Your agreement to the employment restrictions set forth in Sections 7(e)(ii) through 7(e)(v) above, including Your offer of employment, title, compensation and benefits under this Agreement, and other good and valuable consideration.

8. Assignment of Rights. You acknowledge and agree that, as between You and the Company, the Company shall own, and You hereby assign and, upon future creation, automatically assign to the Company, all right, title and interest, including, without limitation all Intellectual Property Rights, in and to any existing and future Work Product (whether created prior to, on, or (created after the Effective Date) that (a) is or was created within the scope of Your employment, (b) is based on, results from, or is suggested by any work performed within the scope of Your employment and is related to the Company's business, (c) has been or will be paid for by the Company, or (d) was created or improved in whole or in part through use of the Company's time, personnel, resources, data, facilities, or equipment. All Work Product, to the extent permitted by applicable law, shall constitute work made for hire and shall be owned upon its creation exclusively by the Company and shall be limited to rights related to the research efforts of the Company.

You shall not take any actions inconsistent with the provisions of this Section, including but not limited to the execution of any agreements with any third parties that may affect the Company's title in and to any Work Product. At the Company's request, You agree, reasonable expenses to be reimbursed, to perform, during or after Your employment with the Company, any acts to transfer, perfect and defend the Company's ownership of the Work Product, including, but not limited to: (i) executing all documents and instruments (including additional written assignments to the Company), whether for filing an application or registration for protection of the Work Product (an "Application") or otherwise under any form of intellectual property laws whether in the United States or elsewhere in the world, (ii) explaining the nature and technical details of construction and operation of the Work Product to persons designated by the Company, (iii) reviewing and approving Applications and

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other related papers, or (iv) providing any other assistance reasonably required for the orderly prosecution of Applications. You agree to provide additional evidence to support the foregoing if such evidence is considered necessary by the Company, is in Your possession or control, and is reasonably available and retrievable.

You agree to disclose to the Company and provide the Company with a complete written description of any Work Product in which You are involved (solely or jointly with others) and the circumstances surrounding the creation of such Work Product, upon creation of any subject matter that may constitute Work Product, and upon request by the Company. Your failure to provide such a description to the Company, or the Company's failure to request such a description from You, will not alter the rights of the Company to any Work Product under this Section or otherwise.

Notification Pursuant to the Employee Patent Act, 765 ILCS 1060/2 (1983)

Notwithstanding anything to the contrary set forth in this Agreement, this Agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Your own time, unless (a) the invention relates (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by You for the Company.

9. License. During Your employment and after Your employment with the Company ends, You grant to the Company an irrevocable, nonexclusive, worldwide, royalty-free license to: (a) make, use, sell, copy, perform, display, distribute, or otherwise utilize copies of the Licensed Materials, (b) prepare, use and distribute derivative works based upon the Licensed Materials, and (c) authorize others to do the same. You shall notify the Company in writing of any Licensed Materials You deliver to the Company. [Section intentionally omitted]

10. Release. During Your employment, and after Your employment with the Company ends, You consent to the Company's reasonable use of Your image, likeness, voice, or other characteristics in the Company's products, services, marketing or informational materials. You release the Company from any cause of action which You have or may have arising out of the use, distribution, adaptation, reproduction, broadcast, or exhibition of such characteristics. You represent that You have obtained, for the benefit of the Company, the same release in writing from all third parties whose characteristics are included in the services, materials, computer programs, and other deliverables that You provide to the Company.

11. Post-Employment Activities. You acknowledge and agree that, beginning on the date Your employment with the Company terminates for any reason, (i) You shall remove any reference to the Company as Your current employer from any source You control, either directly or indirectly, including, but not limited to, any Social Media such as LinkedIn, Facebook, Twitter, and/or Instagram, and (ii) You are not permitted to represent Yourself as currently being employed by the Company to any person or entity, including, but not limited to, on any Social Media.

12. Injunctive Relief. If You breach or threaten to breach any portion of this Agreement, You agree that: (a) the Company would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would

be an inadequate remedy for the injuries suffered by the Company; and (c) if the Company seeks company shall have the right to seek injunctive relief to enforce this Agreement, You shall waive and shall not (i) assert any defense that the Company has an adequate remedy at law with respect to the breach, (ii) require that the Company submit proof of the economic value of any Trade Secret or Confidential Information, or (iii) require the Company to post a bond or any other security. Agreement. Nothing contained in this Agreement shall limit the Company's right to any other remedies at law or in equity.

13. Independent Enforcement. Each of the covenants set forth in Sections 7(e)(ii) through 7(e)(v) of this Agreement shall be construed as an agreement independent of (a) each of the other covenants set forth in Sections 7(e)(ii) through 7(e)(v), (b) any other agreements, or (c) any other provision in this Agreement, and the existence of any claim or cause of action by You against the Company, whether predicated on this Agreement or otherwise, regardless of who was at fault and regardless of any claims that either You or the Company may have against the other, shall not constitute a defense to the enforcement by the Company of any of the covenants set forth in Sections 7(e)(ii) through 7(e)(v) of this Agreement. The Company shall not be barred from enforcing any of the covenants set forth in Sections 7(e)(ii) through 7(e)(v) of this Agreement by reason of any breach of (a) any other covenant set forth in Sections 7(e)(ii) through 7(e)(v) of this Agreement, (b) any other part of this Agreement, or (c) any other agreement with You. [Section intentionally omitted]
14. Attorneys' Fees. In the event of litigation relating to this Agreement, the Company and You shall, if it is the prevailing party, be entitled to recover attorneys' fees and costs of litigation in addition to all other remedies available at law or in equity.
15. Waiver. The Company's A Party's failure to enforce any provision of this Agreement shall not act as a waiver of that or any other provision. The Company's A Party's waiver of any breach of this Agreement shall not act as a waiver of any other breach.
16. Severability. The provisions of this Agreement are severable. If any provision is determined to be invalid, illegal, or unenforceable, in whole or in part, then such provision shall be modified so as to be enforceable to the maximum extent permitted by law. If such provision cannot be modified to be enforceable, the provision shall be severed from this

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Agreement to the extent unenforceable. The remaining provisions and any partially enforceable provisions shall remain in full force and effect.

17. Non-Interference. Notwithstanding anything to the contrary set forth in this Agreement or in any other agreement between You and the Company, nothing in this Agreement or in any other agreement shall limit Your ability, or otherwise interfere with Your rights, to (a) file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local governmental agency or commission (each a "Government Agency"), (b) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company, (c) receive an award for information provided to any Government Agency, or (d) engage in activity specifically protected by Section 7 of the National Labor Relations Act, or any other federal or state statute or regulation.
18. Governing Law. The laws of the State of Illinois, and the Defend Trade Secrets Act of 2016, where applicable, shall govern this Agreement. If Illinois' conflict of law rules would apply another state's laws, the Parties agree that Illinois law shall still govern.
19. No Strict Construction. If there is a dispute about the language of this Agreement, the fact that one Party drafted the Agreement shall not be used in its interpretation.
20. Entire Agreement. This Agreement, including Exhibits A and B, which are incorporated by reference, constitutes the entire agreement between the Parties concerning the subject matter of this Agreement. This Agreement supersedes any prior communications, agreements or understandings, whether oral or written, between the Parties relating to the subject matter of this Agreement.
21. Amendments. This Agreement may not otherwise be amended or modified except in writing signed by both Parties.
22. Successors and Assigns. This Agreement shall be assignable to, and shall inure to the benefit of, the Company's successors and assigns, including, without limitation, successors through merger, name change, consolidation, or sale of a majority of the Company's stock or assets, and shall be binding upon You. You shall not have the right to assign Your rights or obligations under this Agreement. The covenants contained in this Agreement shall survive cessation of Your employment with the Company, regardless of who causes the cessation or the reason for the cessation.
23. Notice. Whenever any notice is required, it shall be given in writing addressed as follows:
- To Company: Exicure, Inc.
2430 N. Halsted Street
Chicago, IL 60614
- To Executive: Jung S. Kim Paul Kang
1303 Delaware Ave. #311 610 Fifth Avenue #5535 New York, NY
10185

Notice shall be deemed given and effective on the earlier of: (i) the date on which it is actually received; (ii) the next business day after it is deposited with UPS, FedEx, or a similar overnight courier service for next business day delivery; or (iii) three (3) days after its deposit in the U.S. Mail addressed as above and sent first class mail, certified, return receipt requested. Either Party may change the address to which notices shall be delivered or mailed by notifying the other party of such change in accordance with this Section.

24. Consent to Jurisdiction and Venue. You agree that any and all claims arising out of or relating to this Agreement shall be brought solely and exclusively in a state or federal court of competent jurisdiction in Illinois. You consent to the personal jurisdiction of the state and/or federal courts located in Illinois. You waive (a) any objection to jurisdiction or venue, or (b) any defense claiming lack of jurisdiction or improper venue, in any action brought in such courts.

25. Execution. This Agreement may be executed in one or more counterparts, including, but not limited to, facsimiles. Each counterpart shall for all purposes be deemed to be an original, and each counterpart shall constitute this Agreement.

26. Affirmation. YOU ACKNOWLEDGE THAT YOU HAVE CAREFULLY READ THIS AGREEMENT, YOU KNOW AND UNDERSTAND ITS TERMS AND CONDITIONS, AND YOU HAVE HAD THE OPPORTUNITY TO ASK THE COMPANY ANY QUESTIONS YOU MAY HAVE HAD PRIOR TO SIGNING THIS AGREEMENT.

27. Taxes; Withholding. The Company may deduct and withhold from any amounts payable under this Agreement such federal, state, local, non-U.S. or other taxes as are required to be withheld pursuant to any applicable law or

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regulation. regulation. The Company shall not be liable to, and You shall be solely liable and responsible for, any taxes that may be imposed on You.

28. Compliance With Internal Revenue Code Section 409A. The Parties agree that this Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is exempt from, or, if that is not possible, then compliant with the requirements of Section 409A of the Internal Revenue Code (the "Code") and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder. Nevertheless, the tax treatment of the benefits provided under the Agreement is not warranted or guaranteed. Neither the Company nor its managers, members, officers, employees, or advisers shall be held liable for any taxes, interest, penalties, or other monetary amounts owed by You as a result of the application of Section 409A of the Code. Any right to a series of installment payments under this Agreement shall, for purposes of Section 409A of the Code, be treated as a right to a series of separate payments.

All reimbursements and in-kind benefits provided under this Agreement that are includible in Your federal gross taxable income shall be made or provided in accordance with the requirements of Section 409A of the Code, including the requirement that (i) any reimbursement is for expenses incurred during Your lifetime (or during a shorter period of time specified in this agreement), (ii) the amount of expenses eligible for reimbursement or in-kind benefit provided during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense was incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

Additionally, notwithstanding anything in this Agreement to the contrary, any separation payments under this Agreement (to the extent that they constitute "deferred compensation" under Section 409A of the Code and applicable regulations), and any other amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code and that would otherwise be payable or distributable hereunder by reason of Your termination, will not be payable or distributable to You by reason of such circumstance unless the circumstances giving rise to such termination meet any description or definition of "separation from service" in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). If this provision prevents the payment or distribution of any amount or benefit, such payment or distribution shall be made on the date, if any, on which an event occurs that constitutes a Section 409A-compliant "separation from service."

In the event that You are a "specified employee" (as described in Code Section 409A), and any payment or benefit payable pursuant to this Agreement constitutes deferred compensation under Code Section 409A and would otherwise be payable upon Your "separation from service" (as described in Code Section 409A), then no such payment or benefit shall be made before the date that is six (6) months after Your "separation from service" (or, if earlier, the date of Your death). Any payment or benefit delayed by reason of the prior sentence (the "Delayed Payment") shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

29. Clawbacks. The payments to You pursuant to this Agreement are subject to forfeiture or recovery by the Company or other action pursuant to any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy or provision that the Company has included in any of its existing compensation programs or plans or that it as may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

30. Right to Advice. You acknowledge that You were informed that You have the right to request or receive confidential legal advice and consult with an attorney before executing the Agreement and that this Paragraph shall constitute written notice of the right to consult with legal counsel.

31. Deadline to Sign and Return. In order to accept this offer of employment, You must sign and return this Agreement to an authorized representative of the Company by 11:59 pm EST on April 27, 2023 (after which this offer will be null and void).

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year firstabove written.

Exicure, Inc.

By: /s/ Sarah Longoria /s/ Josh Miller Josh Miller
Sarah Longoria
Chief HR & Compliance Accounting Officer

Date:

Date: 4/27/23

Jung

8/28/23

/s/ Jung S.

Kim 

Date: By: 4/27/ /s/ Paul Kang

Paul
Kang

Date:

8/28/23

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EXHIBIT

A

DEFINITIONS

A. "Business" means the business of developing, manufacturing, marketing, and selling biotechnology and life sciences solutions.

B. "Confidential Information" means (1) information of the Company, to the extent not considered a Trade Secret under applicable law, that (a) relates to the business of the Company, (b) was disclosed to You or of which You became aware of as a consequence of Your relationship with the Company, (c) possesses an element of value to the Company, and

(d) is not generally known to the Company's competitors, and (2) information of any third party provided to the Company which the Company is obligated to treat as confidential, including, but not limited to, information provided to the Company by its licensors, suppliers, or customers. Confidential Information includes, but is not limited to, (i) methods of operation, (ii) price lists, (iii) financial information and projections, (iv) personnel data, (v) future business plans, (vi) the composition, description, schematic or design of products, future products or equipment of the Company or any third party, (vii) the Manu-

products or equipment of the Company or any third party, (vii) the Work Product, (viii) advertising or marketing plans, and (ix) information regarding independent contractors, employees, clients, licensors, suppliers, Customers, prospective customers, or any third party, including, but not limited to, the names of Customers and prospective customers, Customer and prospective customer lists compiled by the Company, and Customer and prospective customer information compiled by the Company. Confidential Information shall not include any information that (v) is or becomes generally available to the public other than as a result of an unauthorized disclosure, (w) has been independently developed and disclosed by others without violating this Agreement or the legal rights of any party, (x) otherwise enters the public domain through lawful means, (y) making truthful statements required by law, regulation, or legal process, or reporting crimes or unlawful employment practices, to any appropriate federal, state, or local governmental agency, or (z) participating in a proceeding with any appropriate federal, state, or local government agency enforcing discrimination laws.

C. "Contact" means any interaction between You and a Customer which (i) takes place in an effort to establish, maintain, and/or further a business relationship on behalf of the Company and (ii) occurs during the last year of Your employment with the Company (or during Your employment if employed less than a year).

D. "Customer" means any person or entity to which the Company has sold its products or services, or solicited to sell its products or services.

E. "Employee" means any person who (i) is employed by the Company at the time Your employment with the Company ends, (ii) was employed by the Company during the last year of Your employment with the Company (or during Your employment if employed less than a year), or (iii) is employed by the Company during the Restricted Period.

F. "Good Reason" shall exist if (i) the Company, without Your written consent, materially reduces Your then current authority, duties, or responsibilities; (ii) You provide written notice to the Company of any such action within ninety (90) days of the date on which such action first occurs and provide the Company with thirty (30) days to remedy such action (the "Cure Period"); (iii) the Company fails to remedy such action within the Cure Period; and (iv) You resign within thirty (30) days of the expiration of the Cure Period. Good Reason shall not include any isolated, insubstantial, or inadvertent action that (a) is not taken in bad faith, and (b) is remedied by the Company within the Cure Period.

G.B. "Intellectual Property Rights" are all: (a) patents and associated reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part; (b) all inventions, whether patentable or not and whether or not reduced to practice; (c) registered and unregistered trademarks, service marks, certification marks, trade dress, logos, trade names, brand names, corporate names, business and product names, internet domain names, internet uniform resource locators, and internet protocol addresses and all goodwill associated with these rights; (d) Trade Secrets, industrial rights, industrial designs; (e) registered and unregistered works of authorship, copyrights, moral rights and publicity rights; (f) all rights to computer software, computer software source code, proprietary databases and mask works and all documentation and developer tools associated with these; (g) proprietary rights that are similar in nature to those enumerated in (a) through (f) anywhere in the world, (h) all enhancements and improvements to and all derivations of any of the rights enumerated in (a) through (g); and (i) all applications, registrations and documentation associated with the rights described in (a) through (g).

H. "Licensed Materials" means any materials that You utilize for the benefit of the Company, or deliver to the Company or the Company's customers, which (i) do not constitute Work Product, (ii) are created by You or of which You are otherwise in lawful possession, and (iii) You may lawfully utilize for the benefit of, or distribute to, the Company or the Company's customers.

I. "Restricted Period" means the time period during Your employment with the Company and for two (2) years after Your employment with the Company ends for any reason.

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J.C. "Social Media" means any form of electronic communication (such as Web sites for social networking and micro blogging) through which users create online communities to share information, ideas, personal messages, and other content, such as videos.

K. "Territory" means any city or county which the Company or any of its Affiliates is doing business at the time of Your termination of employment.

L.D. "Trade Secrets" means information of the Company, and its licensors, suppliers, clients, and customers, without regard to form, including, but not limited to, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, a list of actual customers, clients, licensors, or suppliers, or a list of potential customers, clients, licensors, or suppliers which is not commonly known by or available to the public and which information (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

M.E. "Work Product" means:

(i) (A) any data, databases, materials, documentation, computer programs, inventions (whether or not patentable), designs, trademarks, trade dress, and/or works of authorship, including but not limited to, discoveries, ideas, concepts, properties, formulas, compositions, methods, programs, procedures, systems, techniques, products, improvements, innovations, writings, pictures, audio, video, images, and artistic works, and any related application or registrations, and each and every original, interim and final version, copy, replica, prototype, or other original work of authorship thereof or in any way related thereto, any and all reproductions, distribution rights, ancillary rights, performances, displays, derivative works, amendments, versions, modifications, copies, or other permutations of the foregoing, regardless of the form or type and the renewals and extensions thereof;

(ii) (B) any subject matter (including but not limited to any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof) protected or eligible for protection under patent, copyright, proprietary database, trademark, trade dress, Trade Secret, rights of publicity, confidential information, Confidential Information, or other property rights, including all worldwide rights therein;

(iii) (C) any goodwill, commercial and economic benefits, relationship and contracts arising out of or resulting from Your employment; and

(iv) (D) any Intellectual Property Rights included within and associated with the items described in (i), (ii) and (iii).

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**EXHIBIT
B**

JOB DUTIES

- Overseeing the ongoing operations of all divisions in the Company
 - Overseeing employment decisions at executive level
 - Working with the board of the directors and other executives to establish short-term objectives and long-term goals, and related plans and policies
 - Reporting regular reports on the status of the Company's operations to the board of directors
 - Reviewing the financial results of all operations vis-à-vis the Company objectives and taking appropriate measures to correct unsatisfactory performance and results. results
 - Ensuring the Company's compliance with all applicable laws, rules, regulations and standards
- While serving as Chief Executive Officer of the Company, Executive shall serve on the Board of the Company.
- At the Company's request, You shall serve the Company and/or its subsidiaries and affiliates in such other capacities in addition to the foregoing as the Company shall designate, provided that such additional capacities are consistent with Your position as the Company's Chief Executive Officer.

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Exhibit 10.2

**Separation and Release
Agreement EMPLOYMENT
AGREEMENT**

This Separation and Release Agreement EMPLOYMENT AGREEMENT (the "Agreement"), by and between among Exicure, Inc. (the "Company") and Matthias Schroff Jiyoung Hwang ("You" or "Your") (the Company and You each a "Party," and collectively referred to as the "Parties"), is entered into and effective as of April 26, 2023 August 28, 2023 (the "Effective Date").

WHEREAS, You have been employed by the Company on an at-will basis;

WHEREAS, the Parties mutually Company desires to employ You as its Chief Financial Officer and You desire to accept said employment by the Company;

WHEREAS, the Company has agreed to terminate employ You in exchange for Your employment compliance with the Company effective April 26, 2023 (the "Separation Date");

WHEREAS, both Parties have read and understand the terms of this Agreement, Agreement; and both Parties have been provided with reasonable opportunities

WHEREAS, the Company and You desire to consult with their respective legal counsel prior to entering express the terms and conditions of Your employment in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and obligations set forth herein, which covenants and agreements

constitute for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Separation Employment and Duties.

Regardless (a) Position. As of whether you sign the Effective Date, the Company shall employ You as its Chief Financial Officer.

(b) Reporting. You shall report directly and exclusively to the Chief Executive Officer of the Company.

(c) Duties. You agree to make best efforts to perform the duties as set forth in Exhibit B (the "Duties") and as may otherwise be assigned to You by the Company from time to time in its sole and absolute discretion as needed. You agree to act at all times to the best of Your knowledge in the best interests of the Company. You further agree to promptly report to the Board all material decisions made by You related to the Duties and the Company's business, operations, and finances.

(d) Devotion of Time. You agree to (i) devote all necessary working time required of Your position, (ii) devote Your best efforts, skill, and energies to promote and advance the business and/or interests of the Company, and (iii) fully perform Your obligations under this Agreement. Notwithstanding the foregoing, the Company acknowledges and agrees that You currently hold a director position at CBI USA, Inc. and an officer position at CBI Co., Ltd. in Korea. In addition, You may (i) engage in community, charitable, and educational activities, (ii) manage Your personal investments, and (iii) serve on corporate boards or committees, provided that such activities in subclauses (i) through (iii) do not conflict or interfere with the performance of Your obligations under this Agreement or conflict with the interests of the Company.

(e) Company Policies. You agree to comply with the policies and procedures of the Company as may be adopted and changed from time to time, including those described in the Company's employee handbook. If this Agreement conflicts with such policies or procedures, this Agreement shall control.

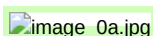
(f) Fiduciary Duties. As an officer of the Company, You owe a duty of care and loyalty to the Company, as well as a duty to perform Your Duties in a manner that is in the best interests of the Company. You owe such duties to the Company in addition to duties imposed upon You under applicable law.

(g) Geographic Area. You shall perform Your duties primarily remotely, subject to necessary travel requirements.

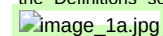
2. Term. Your employment relationship with the Company is at-will. You may terminate Your employment with the Company at any time and for any reason whatsoever by notifying the Company, and the Company may terminate Your employment at any time with or without cause or advance notice. The period during which You are employed by the Company shall be referred to as the "Employment Period."

3. Compensation and Benefits.

(a) Base Salary. During the Employment Period, the Company shall pay You (i) all accrued but unpaid annual base salary through Separation Date, and (ii) any accrued and unused paid time off (as governed by Company policy on pay at termination) ("Base Salary") of One Hundred Fifty Thousand Dollars (\$150,000), through the Separation Date, each subject to all applicable taxes withholdings, in accordance with the



¹ Unless otherwise indicated, all capitalized terms used in this Agreement are defined in the "Definitions" section attached as Exhibit



A. Exhibit A is incorporated by reference and withholdings, no later

than is included in this Agreement.

Company's normal payroll practices. Your Base Salary may be adjusted at the next regularly scheduled payday following discretion of the Separation Date, unless sooner Board based upon Your performance and the Company's performance, as required by law, determined in the sole and absolute discretion of the Board.

(b) **Benefits Plans.** During the Employment Period, You will also continue are eligible to be covered under any Company group medical plans that You participate in until April 30, 2023 benefit plans from time to time in effect for executives and employees of the Company, subject to the terms and conditions of such plans as in effect from time to time.

(c) **Business Expenses.** Additionally, During the Employment Period, the Company shall reimburse You for all necessary and reasonable business-related business expenses incurred by You incurred through in the Separation Date, subject to and performance of Your duties under this Agreement in accordance with Company policy, the policies and procedures of the Company.

2.4. Termination of Prior Agreement Indemnification. Effective The Company shall indemnify You to the extent permitted by applicable law from and against any action, suit, proceeding, or liability arising as a direct consequence of the Effective Date, discharge of Your duties under this Agreement or of Your status as an officer or director of the Second Amended Company.

5. Termination. As an at-will employee, Your employment and Restated Employment this Agreement between may be terminated at any time and for any reason by You and or by the Company.

6. Company's Post-Termination Obligations. If this Agreement terminates for any reason, then the Company dated January 26, 2022, as further amended by shall:

(i) pay You all accrued but unpaid wages through the First Amendment on September 23, 2022 (the "Prior Agreement") shall terminate in its entirety; provided, however, that any date of Your post-termination obligations contained "separation from service," as defined in Internal Revenue Code Section 409A, based on Your then current Base Salary, and (ii) pay You separation payment equal to eighteen (18) months of your then current Base Salary (the Base Salary for such calculation not to be less than \$150,000), which will be paid in one-time lump sum within five (5) business days following the Confidentiality, Non-Hire, Non-Disparagement, and Work Product Agreement between You and the Company dated August 21, 2019 and referenced in Section 5 date of the Prior Agreement shall survive and remain in full force and effect. Your "separation from service" (the "Separation Payment"). You acknowledge and agree that the termination of the Prior Agreement does not and will not result in the vesting, acceleration, or triggering of any employment benefit in Your favor, including, but not limited to, any post-termination payment.

3. Consideration. Provided that You satisfy the conditions of this Agreement, including the return of all Company property, the Company shall:

(a) **Separation Payment.** Pay You a single, lump sum separation payment equal to Six Hundred and Three Thousand Eight Hundred Twenty-Four Dollars and Seventy-Eight Cents (\$603,824.78), minus all applicable withholdings, including taxes and Social Security (the "Separation Payment"). The Separation Payment shall be paid within five (5) days after You return an executed version constitute the consideration for the release, noted below, and Your post-termination obligations and shall constitute full satisfaction of this Agreement to the Company's CHRO, located at 2400 N. Halsted, Chicago, IL 60614; and

located at 2430 N Halsted, Chicago, IL, 60614, and

(b) Change in Control post- termination obligations under this Agreement. However, the Company's obligation to pay the Separation Payment. Provided that a Change in Control occurs following the Effective Date and on or before December 31, 2024, pay to You a single, lump sum payment equal to Two Hundred Seventy-Five Thousand Dollars and Zero Cents (\$275,000.00) (the "Change in Control Payment"). The Change in Control Payment shall be paid no later than ten (10) business days following the Change in Control. For purpose of this provision, a "Change in Control" shall be deemed to have occurred conditioned upon the occurrence following: Your execution and non-revocation of any of the following events: (i) the acquisition, other than from the Company, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding shares of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally a reasonable release agreement in the election of directors, but excluding, for this purpose, any such acquisition a form prepared by the Company or any of in its subsidiaries, or any employee benefit plan (or related trust) of sole and absolute discretion and in which You release the Company or its subsidiaries, or any corporation with respect to

1

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which, following such acquisition, more than 50% of, respectively, (including the then outstanding shares of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of all or substantially all directors is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of shares and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be; or (ii) the consummation of a reorganization, merger or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of shares and voting securities of the Company immediately prior to such reorganization, merger or consolidation do not, following such reorganization, merger or consolidation, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger or consolidation. In no event shall a Change in Control include any bona fide primary or secondary public offering of the Company;

(c) Additional Payment On the three (3) month

anniversary of the Effective Date, grant You an additional number of shares of the common stock of the Company at the closing price on the date of such grant with a gross value equal to Three Hundred and One Thousand Nine Hundred Twelve Dollars and Thirty-Nine Cents (\$301,912.39) (the "Additional Shares Payment"), less shares to cover income tax that will be paid by the company; and

(d) Accelerated Vesting. On the three (3) month anniversary of the Effective Date (the "Acceleration Date"), accelerate the vesting of all Your outstanding equity awards such that those awards become fully vested and exercisable as of the Acceleration Date, subject to and in accordance with the terms and conditions of the applicable award agreement governing each award, and the Company's 2015 and 2017 Equity Incentive Plan,

(the above-referenced items collectively, the "Separation Benefits"). Because You are no longer employed, Your rights to any particular employee benefit shall be governed by applicable law and the terms and provisions of the Company's various employee benefit plans and arrangements. You acknowledge that the Effective Date shall be the date used in determining benefits under all Company employee benefit plans. The Company's obligation to provide You with the Separation Benefits above shall terminate immediately upon any breach by You of this Agreement or any post-termination obligations to which You are subject.

4. Release. In exchange for the consideration set forth above, You release and discharge the Company¹ from any and all claims or liability, whether known or unknown, arising out of any event, act, or omission occurring on or before the day You sign this Agreement, including, but not limited to, claims arising out of Your employment or the cessation of Your employment, claims arising out of or relating to the Prior Agreement or the termination of the Prior Agreement, claims arising out of the Employment Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. §§ 1001-1461, claims arising out of any offer letter or employment agreement with the Company, claims for breach of contract, tort, negligent hiring, negligent retention, negligent supervision, negligent training, employment discrimination, retaliation, or harassment, claims arising under the Illinois Human Rights Act or the Illinois Worker Adjustment Retraining and Notification Act, as well as any other statutory or common law claims, at law or in equity, recognized under any federal, state, or local law. You also release any claims for unpaid back pay, sick pay, expenses, bonuses, claims arising out of or relating to equity or other ownership interest in the Company, commissions, attorneys' fees, or any other compensation. You agree that You are not entitled to any additional payment or benefits from the Company, except as set forth in this Agreement. You further agree that You have suffered no harassment, retaliation, employment discrimination, or work-related injury or illness and that you do not believe that this Agreement is a subterfuge to avoid disclosure of sexual harassment or gender discrimination allegations. You acknowledge and represent that You: (i) have been fully paid (including, but not limited to, any overtime to which You are entitled, if any) for hours You worked for the Company, and (ii) do not claim that the Company violated or denied Your rights under the

¹ For purposes of Sections 3, 4, 5, and 6 of this Agreement, the term "Company" includes the Company, the Company's current and former parents, subsidiaries, affiliates, and all related companies, as well as each of their respective officers, directors, shareholders, employees, agents and any other representatives, any employee benefits plan of the Company, and any fiduciary of those plans.

Fair Labor Standards Act. Notwithstanding plans) from any and all liability and claims of any kind whatsoever, regardless whether such claims are known at the foregoing, time of the release of claims set forth above does not waive Your right to receive benefits under the Company's 401(k) or pension plans, if any, that either (a) have accrued or vested prior to the Separation Date, or (b) are intended, under the terms of such plans, to survive Your separation from the Company.

5. No Admission of Liability. This Agreement is not an admission of liability by the Company.¹ The Company denies any liability whatsoever. The Company enters into this Agreement to reach a mutual agreement concerning Your separation from the Company.

6. Future Employment. You agree that the Company¹ has no obligation to consider You for employment should You apply in the future.release.

7. Mutual Non-Disparagement Your Post-Termination Obligations. You shall not make any disparaging or defamatory statements, whether written or oral, regarding the Company.¹ The Company shall instruct Sarah Longoria, CHRO not to make any disparaging or defamatory statements, whether written or oral, regarding You.

8. Mutual Confidentiality. You acknowledge and agree that neither You nor anyone acting on Your behalf has made or will make any disclosures concerning the existence or terms of this Agreement to any person or entity, including, but not limited to, any representative of the media, Internet web page, social networking site, "blog" or "chat room," judicial or administrative agency or body, business entity or association, except: (a) Your spouse; (b) Your attorneys, accountants or financial advisors; or (c) any court or government agency pursuant to an official request by such government agency, court order or legally enforceable subpoena. If You are contacted, served or learn that You will be served with a subpoena to compel Your testimony or the production of documents concerning this Agreement or Your employment with the Company, You agree to immediately notify Sarah Longoria, CHRO, by telephone. If You disclose the existence or terms of this Agreement pursuant to sub-clauses (a) or (b) of this paragraph, You shall inform such person or entity (i) of this confidentiality provision, and (ii) to maintain the same level of confidentiality required by this provision. Any breach of this provision by such person or entity shall be considered a breach by You. You may not use this Agreement as evidence, except in a proceeding in which a breach of this Agreement is alleged.

The Company shall instruct Sarah Longoria, CHRO or other Company executive not to make any disclosures concerning the existence or terms of this Agreement to any person or entity, including, but not limited to, any representative of the media, Internet web page, social networking site, "blog" or "chat room," judicial or administrative agency or body, business entity or association, except: (a) the Company's attorneys, accountants or financial advisors; (b) any employee of the Company as required to implement this Agreement; or (c) any court or government agency

pursuant to an official request by such government agency, court order or legally enforceable subpoena.

9. **Return of Company Materials/Property.** Upon the termination of Your employment for any reason or upon the Company's request at any time, You shall immediately return to the Company all of the Company's property, including, but not limited to, computers, computer equipment, office equipment, mobile phone, keys, passcards, credit cards, confidential or proprietary lists (including, but not limited to, customer, supplier, licensor, and client lists), rolodexes, tapes, laptop computer, electronic storage device, software, computer files, marketing and sales materials, and any other property, record, document, or piece of equipment belonging to the Company. You shall not (a) retain any copies of the Company's property, including any copies existing in electronic form, which are in Your possession custody, or control, or (b) destroy, delete, or alter any Company property, including, but not limited to, any files stored electronically, without the Company's prior written consent. The obligations contained in this Section shall also apply to any property which belongs to a third party, including, but not limited to, (i) (a) any entity which is affiliated or related to the Company, or (ii) (b) the Company's customers, licensors, or suppliers.

(b) **Set-Off.** If You have any outstanding obligations to the Company upon the termination of Your employment for any reason, You hereby authorize the Company to deduct any amounts (up to \$10,000) owed to the Company from Your final paycheck and any other amounts that would otherwise be due to You, including under Section 6 above, except to the extent such amounts constitute "deferred compensation" under Internal Revenue Code Section 409A. Nothing in this Section 7(b) shall limit the Company's right to pursue means other than or in addition to deduction to recover the full amount of any outstanding obligations to the Company.

(c) **Non-Disparagement.** During Your employment and following the termination of Your employment with the Company for any reason, You shall not make any false and disparaging/defamatory statements, whether written or oral, regarding the Company, or any of its current or former officers, directors, shareholders, or employees. Nothing is this

Paragraph precludes You from making truthful statements required by law, regulation, or legal process, reporting alleged crimes or unlawful employment practices to any appropriate federal, state, or local governmental agency, or participating in a proceeding with any appropriate federal, state, or local government agency enforcing discrimination laws.

(d) **Resignation.** Upon the termination of Your employment with the Company for any reason, You shall deliver to the Company a written resignation from all offices, memberships on the Board, and fiduciary positions in which You serve.

8. **Assignment of Rights.** You acknowledge and agree that, as between You and the Company, the Company shall own, and You hereby assign and, upon future creation, automatically assign to the Company, all right, title and interest, including, without limitation all Intellectual Property Rights, in and to any existing and future Work Product (created after the Effective Date) that (a) is or was created within the scope of Your employment, (b) is based on, results from, or is suggested by any work performed within the scope of Your employment and is related to the Company's business, (c) has been or will be paid for by the Company, or (d) was created or improved in whole or in part through use of the Company's time, personnel, resources, data, facilities, or equipment. All Work Product, to the extent permitted by applicable law, shall constitute work made for hire and shall be owned upon its creation exclusively by the Company and shall be limited to rights related to the research efforts of the Company.

You shall not take any actions inconsistent with the provisions of this Section,

including but not limited to the execution of any agreements with any third parties that may affect the Company's title in and to any Work Product. At the Company's request, You agree, reasonable expenses to be reimbursed, to perform, during or after Your employment with the Company, any acts to transfer, perfect and defend the Company's ownership of the Work Product, including, but not limited to: (i) executing all documents and instruments (including additional written assignments to the Company), whether for filing an application or registration for protection of the Work Product (an "Application") or otherwise under any form of intellectual property laws whether in the United States or elsewhere in the world, (ii) explaining the nature and technical details of construction and operation of the Work Product to persons designated by the Company, (iii) reviewing and approving Applications and other related papers, or (iv) providing any other assistance reasonably required for the orderly prosecution of Applications. You agree to provide additional evidence to support the foregoing if such evidence is considered necessary by the Company, is in Your possession or control, and is reasonably available and retrievable.

You agree to disclose to the Company and provide the Company with a complete written description of any Work Product in which You are involved (solely or jointly with others) and the circumstances surrounding the creation of such Work Product, upon creation of any subject matter that may constitute Work Product, and upon request by the Company. Your failure to provide such a description to the Company, or the Company's failure to request such a description from You, will not alter the rights of the Company to any Work Product under this Section or otherwise.

Notification Pursuant to the Employee Patent Act, 765 ILCS 1060/2 (1983)

Notwithstanding anything to the contrary set forth in this Agreement, this Agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Your own time, unless (a) the invention relates (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by You for the Company.

9. [Section intentionally omitted]

10. Prohibited Release. During Your employment, You consent to the Company's reasonable use of Your image, likeness, voice, or other characteristics in the Company's products, services, marketing or informational materials. You release the Company from any cause of action which You have or may have arising out of the use, distribution, adaptation, reproduction, broadcast, or exhibition of such characteristics..

11. Post-Employment Activities. You acknowledge and agree that, effective as of beginning on the Effective Date: (a) date Your employment with the Company terminates for any reason, (i) You removed shall remove any reference to the Company as Your current employer from any source You control, either directly or indirectly, including, but not limited to, any Social Media such as LinkedIn, Facebook, Twitter, and/or Instagram, and (b) (ii) You are not permitted to represent Yourself as currently being employed by the Company to any person or entity, including, but not limited to, on any Social Media. For purposes of this Section, "Social Media" means any form of electronic communication (such as Web sites for social networking and micro blogging) through which users create online communities to share information, ideas, personal messages and other content, such as videos.

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Initials 4893-6407-4585(IL)

11. Resignation as Director of Company. You shall, at the same time You execute this Agreement, resign as a member of the Company's Board of Directors by executing the resignation letter attached to this Agreement as Exhibit A. You acknowledge and agree that Your resignation from the Board of Directors is not the result of a disagreement with the Company relating to the Company's operations, policies or practices.

12. Injunctive Relief. If You breach or threaten to breach any portion of this Agreement, You agree that: (a) the Company would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Company; and (c) the Company shall have the right to seek injunctive relief to enforce this Agreement. Nothing contained in this Agreement shall limit the Company's right to any other remedies at law or in equity.

13. [Section intentionally omitted]

14. Attorneys' Fees. In the event of litigation relating to this Agreement, the Company and You shall, if it is the prevailing party, shall be entitled to recover attorneys' fees and costs of litigation in addition to all other remedies available at law or in equity.

13. 15. Entire Agreement Waiver. This A Party's failure to enforce any provision of this Agreement including Exhibit shall not act as a waiver of that or any other provision. A which Party's waiver of any breach of this Agreement shall not act as a waiver of any other breach.

16. Severability. The provisions of this Agreement are severable. If any provision is incorporated determined to be invalid, illegal, or unenforceable, in whole or in part, then such provision shall be modified so as to be enforceable to the maximum extent permitted by reference, law. If such provision cannot be modified to be enforceable, the provision shall be severed from this Agreement to the extent unenforceable. The remaining provisions and the Confidentiality, Non-Hire, Non-Disparagement, and Work Product Agreement between You and the Company dated August 21, 2019 and referenced in Section 5 of the Prior Agreement (the "Confidentiality Agreement")(collectively, the "Agreements") constitute the entire agreement between the Parties. The Confidentiality Agreement is incorporated by reference, and Your post-termination obligations contained in the Confidentiality Agreement any partially enforceable provisions shall remain in full force and effect, and shall survive cessation of Your employment. You acknowledge that Your post-termination obligations contained in the Confidentiality Agreement are valid, enforceable, and reasonably necessary to protect the interests of the Company, and You agree to abide by such obligations. These Agreements supersede any prior communications, agreements, or understandings, whether oral or written, between the Parties arising out of or relating to the subject matter of this Agreement. Other than this Agreement, no other representation, promise, or agreement has been made with You to cause You to sign this Agreement. effect.

14. 17. Non-Interference. Notwithstanding anything to the contrary set forth in this Agreement or in any other agreement between You and the Company, nothing in this Agreement or in any other agreement shall limit Your ability, or otherwise interfere with Your rights, to (a) file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local governmental agency or commission (each a "Government Agency"), (b) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company, (c) receive an award for information provided to any Government Agency, or (d) engage in activity specifically protected by Section 7 of the National Labor

engage in activity specifically protected by Section 7 of the National Labor Relations Act, or any other federal or state statute or regulation. This Agreement also does not limit Your right to receive only a reward from a government-administered reward program for providing information directly to a government agency; however, as provided in this Agreement, You further waive any right to any form of damages (including, but not limited to lost wages, compensatory damages, liquidated damages, or punitive damages), reinstatement, attorneys' fees and costs, or other remedy in any action brought by You or on Your behalf.

15.18. Governing Law/Consent to Jurisdiction Law. The laws of the State of Illinois, and the Defend Trade Secrets Act of 2016, where applicable, shall govern this Agreement. If Illinois' conflict of law rules would apply another state's laws, the Parties agree that Illinois law shall still govern.

19. No Strict Construction. If there is a dispute about the language of this Agreement, the fact that one Party drafted the Agreement shall not be used in its interpretation.

20. Entire Agreement. This Agreement, including Exhibits A and B, which are incorporated by reference, constitutes the entire agreement between the Parties concerning the subject matter of this Agreement. This Agreement supersedes any prior communications, agreements or understandings, whether oral or written, between the Parties relating to the subject matter of this Agreement.

21. Amendments. This Agreement may not otherwise be amended or modified except in writing signed by both Parties.

22. Successors and Assigns. This Agreement shall be assignable to, and shall inure to the benefit of, the Company's successors and assigns, including, without limitation, successors through merger, name change, consolidation, or sale of a majority of the Company's stock or assets, and shall be binding upon You. You shall not have the right to assign Your rights or obligations under this Agreement.

23. Notice. Whenever any notice is required, it shall be given in writing addressed as follows: To
Company: Exicure, Inc.

2430
N.
Halsted
Street
Chicago,
IL
60614

To Executive: Jiyoung Hwang
#104-601, 309, Yeoksam-ro
Gangnam-gu, Seoul, Republic of Korea, 06215

Notice shall be deemed given and effective on the earlier of: (i) the date on which it is actually received; (ii) the next business day after it is deposited with UPS, FedEx, or a similar overnight courier service for next business day delivery; or (iii) three

(3) days after its deposit in the U.S. Mail addressed as above and sent first class mail, certified, return receipt requested. Either Party may change the address to which notices shall be delivered or mailed by notifying the other party of such change in accordance with this Section.

24. Consent to Jurisdiction and Venue. You agree that any and all claims arising out of or relating to this Agreement shall be brought solely and exclusively in a state or federal court of competent jurisdiction in Illinois. You consent to the personal jurisdiction of the state and/or federal courts located in Illinois. You waive (a) any objection to jurisdiction or venue, or (b) any defense

claiming lack of jurisdiction or improper venue, in any action brought in such courts.

16. **Offer Period.** You have seven (7) days (the "Offer Period") from receipt of this Agreement to consider whether to sign it. You understand that this Agreement may be revoked at any time prior to expiration of the Offer Period. If You sign before the Company revokes and before the end of the Offer Period, You acknowledge that Your decision to do so was knowing, voluntary, and not induced by fraud, misrepresentation, or a threat to withdraw, alter, or provide different terms prior to the expiration of the Offer Period.

17. **Voluntary Agreement.** You acknowledge the validity of this Agreement and represent that You have the legal capacity to enter into this Agreement. You acknowledge and agree You have carefully read the Agreement, know and understand the terms and conditions, including its final and binding effect, and sign it voluntarily.

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Initials 4893-6407-4585(IL)

18. **Successors and Assigns.** This Agreement shall be assignable to, and shall inure to the benefit of, the Company's successors and assigns, including, without limitation, successors through merger, name change, consolidation, or sale of a majority of the Company's stock or assets, and shall be binding upon You and Your heirs and assigns.

19.25. **Execution.** This Agreement may be executed in one or more counterparts, including, but not limited to, facsimiles and scanned images, and it shall not be necessary that the signatures of all Parties hereto be contained on any one counterpart. Each counterpart shall for all purposes be deemed to be an original, and each counterpart shall constitute this Agreement.

19.26. **Affirmation.** YOU ACKNOWLEDGE THAT YOU HAVE CAREFULLY READ THIS AGREEMENT, YOU KNOW AND UNDERSTAND ITS TERMS AND CONDITIONS, AND YOU HAVE HAD THE OPPORTUNITY TO ASK THE COMPANY ANY QUESTIONS YOU MAY HAVE HAD PRIOR TO SIGNING THIS AGREEMENT.

27. **Taxes; Withholding.** The Company may deduct and withhold from any amounts payable under this Agreement such federal, state, local, non-U.S. or other taxes as are required to be withheld pursuant to any applicable law or regulation. The Company shall not be liable to, and You shall be solely liable and responsible for, any taxes that may be imposed on You.

28. **Compliance With Internal Revenue Code Section 409A.** The Parties agree that this Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is exempt from, or, if that is not possible, then compliant with the terms set forth requirements of Section 409A of the Internal Revenue Code (the "Code") and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder. Nevertheless, the tax treatment of the benefits provided under the Agreement is not warranted or guaranteed. Neither the Company nor its managers, members, officers, employees, or advisers shall be held liable for any taxes, interest, penalties, or other monetary amounts owed by You as a result of the application of Section 409A of the Code. Any right to a series of installment payments under this Agreement shall, for purposes of Section 409A of the Code, be treated as a right to a series of separate

Section 409A of the Code, be treated as a right to a series of separate payments.

All reimbursements and in-kind benefits provided under this Agreement that are includible in Your federal gross taxable income shall be made or provided in accordance with the requirements of Section 409A of the Code, including the requirement that (i) any reimbursement is for expenses incurred during Your lifetime (or during a shorter period of time specified in this agreement), (ii) the amount of expenses eligible for reimbursement or in-kind benefit provided during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense was incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

In the event that You are a "specified employee" (as described in Code Section 409A), and any payment or benefit payable pursuant to this Agreement constitutes deferred compensation under Code Section 409A and would otherwise be payable upon Your "separation from service" (as described in Code Section 409A), then no such payment or benefit shall be made before the date that is six (6) months after Your "separation from service" (or, if earlier, the date of Your death). Any payment or benefit delayed by reason of the prior sentence (the "Delayed Payment") shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule.

29. **Clawbacks.** The payments to Executive pursuant to this Agreement are acceptable, please initial each page, sign below, and return the signed original subject to forfeiture or recovery by the Company on as may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

30. **Right to Advice.** You acknowledge that You were informed that You have the right to request or receive confidential legal advice and consult with an attorney before expiration executing the Agreement and that this Paragraph shall constitute written notice of the Offer Period. You understand that this Agreement can be revoked at any time prior right to expiration of the Offer Period. If the Company does not receive a signed original on or before expiration of the Offer Period, then this offer is automatically revoked, and You shall not be entitled to the consideration set forth in this Agreement. consult with legal counsel.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date, day and year first above written.

Excicure,
Inc.

By: /s/ Sarah Longoria

Its: Chief Human Resources & Compliance Officer

Date: 4-28-23

Matthias Schroff

/s/ Matthias

Schroff

Date: 4/26/23

5By:

/s/

Josh

Miller Josh

Miller

Chief

Accounting

Initials

4893-

6407-

4585(IL)

Date: 8/28/23

Exhibit 10.3

Separation and Release Agreement

This Separation and Release Agreement (the "Agreement") by and between Exicure, Inc. (the "Company") and Elias Papadimas ("You" or "Your") (the Company and You collectively referred to as the "Parties"), is entered into and effective as

By:

/s/

Jiyoung

Hwang Jiyoung

Hwang

Date: 8/28/23

EXHIBIT

A

DEFINITIONS

A. "Confidential Information" means (1) information of April 26, 2023 (the "Effective Date").

WHEREAS, You have been employed by the Company, on an at-will basis;

WHEREAS, to the Parties mutually agreed extent not considered a Trade Secret under applicable law, that (a) relates to terminate the business of the Company, (b) was disclosed to You or of which You became aware of as a consequence of Your employment relationship with the Company, effective April 26, 2023 (the "Separation Date");

WHEREAS, both Parties have read and understand the terms (c) possesses an element of this Agreement, and both Parties have been provided with reasonable opportunities value to consult with their respective legal counsel prior to entering this Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and obligations set forth herein, which covenants and agreements constitute good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Separation. Regardless of whether you sign this Agreement, the Company, shall pay You (i) all accrued but unpaid base salary through Separation Date, and

(d) is not generally known to the Company's competitors, and (ii) (2) information of any accrued and unused paid time off (as governed by Company policy on pay at termination), through the Separation Date, each subject third party provided to all applicable taxes and withholdings, no later than the next regularly scheduled payday following the Separation Date, unless sooner as required by law. You will also continue to be covered under any Company group medical plans that You participate in until April 30, 2023. Additionally, the Company shall reimburse You for all necessary and reasonable business-related expenses You incurred through the Separation Date, subject to and in accordance with Company policy.

2. Termination of Prior Agreement. Effective as of the Effective

~~2. Termination of Prior Agreement. Effective as of the Effective Date, the Amended and Restated Employment Agreement between You and which the Company dated June 1, 2021, is obligated to treat as further amended by the First Amendment on January 17, 2022 (the "Prior Agreement") shall terminate in its entirety; provided, however, that any of Your post-termination obligations contained in the Confidentiality, Non-Hire, Non-Disparagement, and Work Product Agreement attached as Exhibit A to the Prior Agreement shall survive and remain in full force and effect. Subject to Paragraph 3(b) below, You acknowledge and agree that the termination of the Prior Agreement does not and will not result in the vesting, acceleration, or triggering of any employment benefit in Your favor, confidential, including, but not limited to, any post-termination payment.~~

3. Consideration. Provided that You satisfy the conditions of this Agreement, including the return of all Company property, information provided to the Company shall:

(a) Separation Payment. Pay You a single, lump sum separation payment equal to Three Hundred Seventy Thousand Dollars and Zero Cents (\$370,000.00), minus all applicable withholdings, including taxes and Social Security (the "Separation Payment"). The Separation Payment shall be paid within five (5) days after You return an executed version of this Agreement to the Company's CHRO, located at 2430 N Halsted, Chicago, IL, 60614; and

(b) Accelerated Vesting. Accelerate the vesting of all Your outstanding equity awards such that those awards become fully vested and exercisable as of Separation Date, subject to and in accordance with the terms and conditions of the applicable award agreement governing each award, and the Company's 2015 and 2017 Equity Incentive Plan,

(the above-referenced items collectively, the "Separation Benefits"). Because You are no longer employed, Your rights to any particular employee benefit shall be governed by applicable law and the terms and provisions of the Company's various employee benefit plans and arrangements. You acknowledge that the Effective Date shall be the date used in determining benefits under all Company employee benefit plans. The Company's obligation to provide You with the Separation Benefits above shall terminate immediately upon any breach by You of this Agreement its licensors, suppliers, or any post-termination obligations to which You are subject.

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4. Release. In exchange for the consideration set forth above, You release and discharge the Company: from any and all claims or liability, whether known or unknown, arising out of any event, act, or omission occurring on or before the day You sign this Agreement, including, customers. Confidential Information includes, but is not limited to, claims arising out (i) methods of Your employment operation, (ii) price lists, (iii) financial information and projections, (iv) personnel data, (v) future business plans, (vi) the composition, description, schematic or the cessation design of Your employment, claims arising out of products, future

cessation design of Your employment, claims arising out of products, future products or relating to the Prior Agreement or the termination of the Prior Agreement, claims arising out of the Employment Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. §§ 1001-1461, claims arising out of any offer letter or employment agreement with the Company, claims for breach of contract, tort, negligent hiring, negligent retention, negligent supervision, negligent training, employment discrimination, retaliation, or harassment, claims arising under the Illinois Human Rights Act or the Illinois Worker Adjustment Retraining and Notification Act, as well as any other statutory or common law claims, at law or in equity, recognized under any federal, state, or local law. You also release any claims for unpaid back pay, sick pay, expenses, bonuses, claims arising out of or relating to equity or other ownership interest in the Company, commissions, attorneys' fees, or any other compensation. You agree that You are not entitled to any additional payment or benefits from the Company, except as set forth in this Agreement. You further agree that You have suffered no harassment, retaliation, employment discrimination, or work-related injury or illness and that you do not believe that this Agreement is a subterfuge to avoid disclosure of sexual harassment or gender discrimination allegations. You acknowledge and represent that You: (i) have been fully paid (including, but not limited to, any overtime to which You are entitled, if any) for hours You worked for the Company, and (ii) do not claim that the Company violated or denied Your rights under the Fair Labor Standards Act. Notwithstanding the foregoing, the release of claims set forth above does not waive Your right to receive benefits under the Company's 401(k) or pension plans, if any, that either (a) have accrued or vested prior to the Separation Date, or (b) are intended, under the terms of such plans, to survive Your separation from the Company.

5. **No Admission of Liability.** This Agreement is not an admission of liability by the Company.¹ The Company denies any liability whatsoever. The Company enters into this Agreement to reach a mutual agreement concerning Your separation from the Company.

6. **Future Employment.** You agree that the Company¹ has no obligation to consider You for employment should You apply in the future.

7. **Mutual Non-Disparagement.** You shall not make any disparaging or defamatory statements, whether written or oral, regarding the Company.¹ The Company shall instruct Sarah Longoria, CHRO not to make any disparaging or defamatory statements, whether written or oral, regarding You.

8. **Mutual Confidentiality.** You acknowledge and agree that neither You nor anyone acting on Your behalf has made or will make any disclosures concerning the existence or terms of this Agreement to any person or entity, including, but not limited to, any representative of the media, Internet web page, social networking site, "blog" or "chat room," judicial or administrative agency or body, business entity or association, except: (a) Your spouse; (b) Your attorneys, accountants or financial advisors; or (c) any court or government agency pursuant to an official request by such government agency, court order or legally enforceable subpoena. If You are contacted, served or learn that You will be served with a subpoena to compel Your testimony or the production of documents concerning this Agreement or Your employment with the Company, You agree to immediately notify Sarah Longoria, CHRO, by telephone. If You disclose the existence or terms of this Agreement pursuant to sub-clauses (a) or (b) of this paragraph, You shall inform such person or entity (i) of this confidentiality provision, and (ii) to maintain the same level of confidentiality required by this provision. Any breach of this provision by

confidentially required by this provision. Any breach of this provision by such person or entity shall be considered a breach by You. You may not use this Agreement as evidence, except in a proceeding in which a breach of this Agreement is alleged.

The Company shall instruct Sarah Longoria, CHRO or other Company executive not to make any disclosures concerning the existence or terms of this Agreement to any person or entity, including, but not limited to, any representative of the media, Internet web page, social networking site, "blog" or "chat room," judicial or administrative agency or body, business entity or association, except: (a) the Company's attorneys, accountants or financial advisors; (b) any employee equipment of the Company as required to implement this Agreement; or (c) any

¹ For purposes of Sections 3, 4, 5, third party, (vii) the Work Product, (viii) advertising or marketing plans, and 6 of this Agreement, the term "Company" includes the Company, the Company's current and former parents, subsidiaries, affiliates, and all related companies, as well as their respective officers, directors, shareholders, (ix) information regarding independent contractors, employees, agents, and clients, licensors, suppliers, Customers, prospective customers, or any other representatives, any employee benefits plan of the Company, and any fiduciary of those plans.

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court or government agency pursuant to an official request by such government agency, court order or legally enforceable subpoena.

9. **Return of Company Property.** You shall immediately return to the Company all of the Company's property, including, but not limited to, computers, computer equipment, office equipment, mobile phone, keys, passcards, credit cards, confidential or proprietary lists (including, but not limited to, customer, supplier, licensor, and client lists), tapes, laptop computer, electronic storage device, software, computer files, marketing and sales materials, and any other property, record, document, or piece of equipment belonging to the Company. You shall not (a) retain any copies of the Company's property, including any copies existing in electronic form, which are in Your possession, custody, or control, or (b) destroy, delete, or alter any Company property, including, but not limited to, any files stored electronically, without the Company's prior written consent. The obligations contained in this Section shall also apply to any property which belongs to a third party, including, but not limited to, (i) any entity which is affiliated or related to the Company, or (ii) the Company's names of Customers and prospective customers, licensors, or suppliers.

10. **Prohibited Post-Employment Activities.** You acknowledge Customer and agree that, effective as of the Effective Date: (a) You removed any reference to the Company as Your current employer from any source You control, either directly or indirectly, including, but not limited to, any Social Media such as LinkedIn, Facebook, Twitter, and/or Instagram, and (b) You are not permitted to represent Yourself as currently being employed prospective customer lists compiled by the Company, and Customer and prospective customer information compiled by the Company. Confidential Information shall not include any information that (v) is or becomes generally available to the public other than as a result of an unauthorized disclosure, (w) has been independently developed and

disclosed by others without violating this Agreement or the legal rights of any party, (x) otherwise enters the public domain through lawful means, (y) making truthful statements required by law, regulation, or legal process, or reporting crimes or unlawful employment practices, to any person appropriate federal, state, or entity, including, but not limited to, any local governmental agency, or (z) participating in a proceeding with any appropriate federal, state, or local government agency enforcing discrimination laws.

B. "Intellectual Property Rights" are all: (a) patents and associated reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part; (b) all inventions, whether patentable or not limited and whether or not reduced to practice; (c) registered and unregistered trademarks, service marks, certification marks, trade dress, logos, trade names, brand names, corporate names, business and product names, internet domain names, internet uniform resource locators, and internet protocol addresses and all goodwill associated with these rights; (d) Trade Secrets, industrial rights, industrial designs; (e) registered and unregistered works of authorship, copyrights, moral rights and publicity rights; (f) all rights to computer software, computer software source code, proprietary databases and mask works and all documentation and developer tools associated with these; (g) proprietary rights that are similar in nature to those enumerated in (a) through (f) anywhere in the world, (h) all enhancements and improvements to and all derivations of any Social Media. For purposes of this Section, "Social Media" means the rights enumerated in (a) through (g); and (i) all applications, registrations and documentation associated with the rights described in (a) through (g).

C. "Social Media" means any form of electronic communication (such as Web sites for social networking and micro blogging) through which users create online communities to share information, ideas, personal messages, and other content, such as videos.

11. D. Consulting Services. For a period of two (2) months following the Effective Date (the "Consulting Period"), You agree to provide general financial/accounting-related consulting services to the Company, for up to a maximum of five (5) hours per week during the Consulting Period (the "Consulting Services"). The Company shall pay You Fifteen Thousand Dollars and Zero Cents (\$15,000.00) per month for the Consulting Services. Such payments shall be made on May 31, 2023 and June 30, 2023. You acknowledge and agree that during the Consulting Period: (a) You will be an independent contractor of the Company under the laws of the United States, under applicable state laws, and under the common law; (b) You will not be eligible to participate in any employee benefit program offered by Company to its employees or agents; (c) You will not be covered under Company's worker's compensation insurance or state unemployment insurance coverages; and (d) You will be solely responsible, and Company has no responsibility, to pay any and all taxes applicable to the compensation You receive from the Company for the Consulting Services.

12. Attorneys' Fees. In the event of litigation relating to this Agreement, the Company shall, if it is the prevailing party, be entitled to recover attorneys' fees and costs of litigation, in addition to all other remedies available at law or in equity.

13. Entire Agreement. This Agreement and the Confidentiality, Non-Hire, Non-Disparagement, and Work Product Agreement attached as Exhibit A to the Prior Agreement (the "Confidentiality Agreement") (collectively, the "Agreements") constitute the entire agreement between the Parties. The Confidentiality Agreement is incorporated by reference,

and Your post-termination obligations contained in the Confidentiality Agreement shall remain in full force and effect, and shall survive cessation of Your employment. You acknowledge that Your post-termination obligations contained in the Confidentiality Agreement are valid, enforceable, and reasonably necessary to protect the interests "Trade Secrets" means information of the Company, and You agree its licensors, suppliers, clients, and customers, without regard to abide by such obligations. These Agreements supersede any prior communications, agreements, or understandings, whether oral or written, between the Parties arising out of or relating to the subject matter of this Agreement. Other than this Agreement, no other representation, promise, or agreement has been made with You to cause You to sign this Agreement.

14. Non-Interference. Notwithstanding anything to the contrary set forth in this Agreement or in any other agreement between You and the Company, nothing in this Agreement or in any other agreement shall limit Your ability, or otherwise interfere with Your rights, to (a) file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local governmental agency or commission (each a "Government Agency"), (b) communicate with any Government

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Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company, (c) receive an award for information provided to any Government Agency, or (d) engage in activity specifically protected by Section 7 of the National Labor Relations Act, or any other federal or state statute or regulation. This Agreement also does not limit Your right to receive only a reward from a government-administered reward program for providing information directly to a government agency; however, as provided in this Agreement, You further waive any right to any form, of damages (including, but not limited to lost wages, compensatory damages, liquidated damages, or punitive damages), reinstatement, attorneys' fees and costs, or other remedy in any action brought by You or on Your behalf.

15. Governing Law/Consent to Jurisdiction. The laws of the State of Illinois shall govern this Agreement. If Illinois' conflict of law rules would apply another state's laws, the Parties agree that Illinois law shall still govern. You agree that any and all claims arising out of or relating to this Agreement shall be brought solely and exclusively in a state or federal court of competent jurisdiction in Illinois. You consent to the personal jurisdiction of the state and/or federal courts located in Illinois. You waive (a) any objection to jurisdiction or venue, or (b) any defense claiming lack of jurisdiction or improper venue, in any action brought in such courts.

16. Offer Period. You have seven (7) days (the "Offer Period") from receipt of this Agreement to consider whether to sign it. You understand that this Agreement may be revoked at any time prior to

expiration of the Offer Period. If You sign before the Company revokes and before the end of the Offer Period, You acknowledge that Your decision to do so was knowing, voluntary, and not induced by fraud, misrepresentation, or a threat to withdraw, alter, or provide different terms prior to the expiration of the Offer Period.

17. **Voluntary Agreement.** You acknowledge the validity of this Agreement and represent that You have the legal capacity to enter into this Agreement. You acknowledge and agree You have carefully read the Agreement, know and understand the terms and conditions, including its final and binding effect, and sign it voluntarily.

18. **Successors and Assigns.** This Agreement shall be assignable to, and shall inure to the benefit of, the Company's successors and assigns, including, without limitation, successors through merger, name change, consolidation, or sale of a majority of the Company's stock or assets, and shall be binding upon You and Your heirs and assigns.

19. **Execution.** This Agreement may be executed in one or more counterparts, including, but not limited to, facsimiles and scanned images, and it shall technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, a list of actual customers, clients, licensors, or suppliers, or a list of potential customers, clients, licensors, or suppliers which is not be necessary that the signatures of all Parties hereto be contained on any one counterpart. Each counterpart shall for all purposes be deemed to be an original, and each counterpart shall constitute this Agreement.

If the terms set forth in this Agreement are acceptable, please initial each page, sign below, and return the signed original commonly known by or available to the Company on public and which information (i) derives economic value, actual or before expiration potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (ii) is the subject of the Offer Period. You understand that this Agreement can be revoked at any time prior to expiration of the Offer Period. If the Company does not receive a signed original on or before expiration of the Offer Period, then this offer is automatically revoked, and You shall not be entitled to the consideration set forth in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

Exicure, Inc.

By: /s/ Sarah Longoria

Elias Papadimas

Its: Chief Human Resources & Compliance Officer

/s/ Elias Papadimas

Date: 4/26/23

Date: 4/26/23

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Exhibit 10.4

Cyworld Z Co., Ltd.

13th Bearer's Non-Guaranteed Private Placement Convertible Bonds With Coupons Convertible Bond Subscription Agreement

Total Issue Amount : USD 1,000,000

Subscription Agreement Execution Date: [5/03], 2023

Payment Date and Issue Date: [5/03], 2023

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Convertible Bond Subscription Agreement

This Convertible Bond Subscription Agreement (the "**Agreement**") is made and entered into by and among the following parties as of [5/03], 2023.

Issuer **Cyworld Z Co., Ltd.**

Address: (Sinsa-dong) 29-1 Nonhyeon-ro 158-gil,
Gangnam-gu, Seoul

Subscriber **Exicure, Inc.**

Address: 2430 N. Halsted St. Chicago, IL, 60614

The Subscriber may be individually referred to as the "**Subscriber**." The Issuer and the Subscriber may be individually referred to as the "**Party**," and collectively as the "**Parties**."

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Recitals

WHEREAS, the Issuer desires to issue '13th Bearer's Non-Guaranteed Private Placement Convertible Bonds with Coupons' (the "CB"); and

WHEREAS, the Subscriber agrees to subscribe the CB, subject to terms and conditions of this Agreement. For the purpose of clarification, the term "subscription" as used in this Agreement shall mean acquisition of rights and interests in the CB and shall not mean "subscription" as defined and used in Section 9.11 of the Korean Financial Investment Services and Capital Markets Act (the "**Capital Markets Act**").

NOW, THEREFORE, in consideration of the mutual premises and covenants set forth herein, the Issuer and the Subscriber hereby agree as follows in connection with the issuance, the subscription of the CB and other related matters:

Article 1. Purpose

The purpose of this Agreement is to stipulate rights and obligations among the Issuer and the Subscriber in connection with the Subscriber's subscription of the CB issued by the Issuer.

Article 2. Subscription

The Issuer shall amend any provisions in the articles of incorporation, internal regulations, and other rules related to the operation of the company efforts that are inconsistent with reasonable under the terms of this Agreement, in order circumstances to faithfully fulfill this Agreement.

Article 3. Terms and Conditions of the CB

The terms and conditions of the CB to be issued by the Issuer are as follows:

1. Type of the CB: 13th Bearer's Non-Guaranteed Private Placement Convertible Bonds with Coupons
2. Total Face Value: USD 1,000,000
3. Use of Funds: Working capital
4. Subscription Amount.: USD 1,000,000
5. Denominations and the Number of CB Certificates: Four (4) CB certificates with a denomination of USD 250,000. The CB is a bearer's non-guaranteed private placement bond and shall not be split or merged for one (1) year from the issue date.
6. Issue Price: 100% of the face value of the CB
7. Coupon Rate: The coupon rate for the CB commencing from the Issue Date until the Maturity Date shall be 0.00% per annum for each CB's face value (the "**Coupon Rate**").

8. Yield to Maturity: The yield to maturity shall be 4.5% per annum (the "YTM").

9. Maturity Date: [5/02], 2026 ("Maturity Date")

10. Payment Method and Deadline of the Principal and Interest of the CB

- (1) On the Maturity Date of this CB (the "Redemption Date"), the amount equivalent to 114.1166% of the principal amount, which is the amount calculated by subtracting the interest actually paid until the day before the Maturity Date from the amount calculated by the ratio of the yield to maturity (4.5% per annum) under Paragraph 8 of this Article from the issue date to the day before the Maturity Date with respect to the face value of this CB for which conversion rights have not been exercised, shall be paid in lump sum, provided that, if the Maturity Date or the coupon payment date falls on a bank holiday, the payment will be made on the next Business Day without any additional calculation of interest. The "Business Days" shall mean days that are not public holidays in Korea and days banks in Seoul are opened for their ordinary business operations (excluding the days only part of banks or part of banks' branches are opened).
- (2) The Coupon Rate shall be 0% and the Issuer shall not pay any separate interest before the Maturity Date.

11. Principal and Interest Payment Location: The Issuer's head office

12. Default Interest: If the Issuer does not pay principal or early redemption amount due and payable hereunder, the Issuer shall pay the default interest on such principal or the early redemption amount (the "Default Interest") commencing from the date immediately after the relevant due date and until the full payment. The Default Interest rate shall be 10% per annum accrued on a daily basis based on a period of 365 days in a year.

13. Put Option: Subscriber shall have the put option right to request the Issuer to redeem part or entire principal amount of the CB on the first anniversary after the issue date (inclusive of this date) and every three month thereafter prior to the Maturity Date thereof (the "Put Option"), provided that, if the early redemption date falls on a non-Business Day, then the early redemption shall be made on the next Business Day and the interests accrued after the early redemption date shall not be calculated.

(1) The amounts subject to the Put Option

[8/02/2024]: 1105.67561% of the face value of the CB

[07/02/2024]: [105.6756]% of the face value of the CB
 [11/02/2024]: [106.8516]% of the face value of the CB
 [02/02/2025]: [108.0269]% of the face value of the CB
 [05/02/2025]: [109.2025]% of the face value of the CB
 [08/02/2025]: [110.4310]% of the face value of the CB
 [11/02/2025]: [111.6596]% of the face value of the CB

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[02/02/2026]: [112.8881]% of the face value of the CB

- (2) Application Location for the Early Redemption: The Issuer's head office
- (3) The Early Redemption Payment Location: The Issuer's head office
- (4) Early Redemption and Put Option Exercise Period: The bondholder intending to exercise maintain its Put Option shall request to the Issuer for early redemption during the period between sixty (60) days to thirty (30) days before the early redemption date (the "Put Option Exercise Period"), provided that, if the last day of the Put Option Exercise Period falls on a non-Business Day, then such last day shall be the next Business Day.

Classification	Put Option Exercise Period		Early Redemption Date (YY-MM-DD)	Early Redemption Ratio
	From	To		
	60 days before	30 days before		
1st Round	06/02/2024	07/02/2024	08/02/2024	105.6756%
2nd Round	09/02/2024	10/02/2024	11/02/2024	106.8516%
3rd Round	12/02/2024	01/02/2025	02/02/2025	108.0269%
4th Round	03/02/2025	04/02/2025	05/02/2025	109.2025%
5th Round	06/02/2025	07/02/2025	08/02/2025	110.4310%
6th Round	09/02/2025	10/02/2025	11/02/2025	111.6596%
7th Round	12/02/2025	01/02/2026	02/02/2026	112.8881%

14. Conversion: The Subscriber shall have the right to convert the CB held with it into common stock of the Issuer according to the following terms and conditions.
 - (1) Class of stock to be issued through the exercise of conversion rights by the Subscriber: Non-bearer common stock of the Company with a par value of KRW 5,000 per share

- (2) Conversion ratio: 100% of the CB's face value
 The number of converted shares shall be one hundred percent

(100%) or the number of shares to be computed by dividing the face value of each CB (aggregate face value in case at least two CB certificates are to be converted) by the conversion price. A fraction share that is less than one (1) full share shall be paid in cash by the Issuer at the time of delivery of stock certificates, and no interest shall accrue on the payment for such fractional shares, provided, that, there will be no right to convert part of the face value of the CB.

(3) Conversion Price: [85,000 KRW] per share (based on the par value of [5,000 KRW] per share) (the "**Conversion Price**")

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(4) Adjustment of the Conversion Price

A. Where the Company engages in capital increase, stock dividends or the transfer of reserves to equity capital or engages in the issuance of convertible bonds or bonds with warrant, each case of which value will be less than the market price the conversion price shall be adjusted as follows. The adjustment date to the conversion price shall be the issue date of the newly issued stocks based on capital increase, stock dividends or the transfer of reserves to equity capital or issue date of the convertible bonds or bonds with warrant.

Conversion Price after adjustment = Conversion Price before adjustment X $\left[\frac{A + (B \times C / D)}{A + B} \right]$

A: The number of shares already issued

B: The number of shares newly issued

C: The issuance price per share

D: The market price

The "market price" for the above formula shall be the standard stock price (as prescribed in Article 5-18 of the Korean Regulations of Issuance and Disclosure of Securities) or the Ex-Right Price (in the cases other than the capital increase, the standard stock price as of the date immediately prior to the occurrence of the triggering event for the adjustment).

In the formula above, the "number of shares already issued" shall be the total number of issued shares as of the date immediately preceding the occurrence of an event triggering adjustment, and in the case of the issuance of convertible bonds or bonds with warrant, the "number of shares newly issued" shall be the number of shares to be issued if such bonds are converted into shares at the conversion price

determined at the time of issuance of such bonds or the conversion rights to such bonds are fully exercised at the conversion price determined at the time of issuance of such bonds.

Further, in the formula above, the "issuance price per share" shall be zero (0) in the case of stock splits, bonus issues, and stock dividend, and shall be the conversion price or the exercise price determined at the time of issuance of relevant bonds in the case of the issuance of convertible bonds or bonds with warrant.

B. If the adjustment of the Conversion Price is necessary due to a merger, decrease in equity, stock split or merge, etc., the Conversion Price shall be adjusted in a way of ensuring the number of shares that the Subscriber could

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have held had the CB been fully converted into shares right before the merger, decrease in equity, or stock split or merge, etc.

C. Adjustment due to market price decline: The Conversion Price after adjustment shall be at least 70/100 of the Conversion Price at the time of issuance (if the Conversion Price has already been lowered or increased due to the reasons specified in A. or B. above before the adjustment date, the Conversion Price shall be calculated taking into account such adjustments).

D. If the adjusted Conversion Price is below the par value, the par value shall be used as the Conversion Price.

(5) Conversion period: The CB may be converted from May 03, 2024, the first anniversary of the issue date of the CB, to April 02, 2026, one month prior to the maturity date of the CB.

(6) Place for the conversion request: the Issuer's head office

(7) Miscellaneous

A. Procedure and method of conversion request: The holder of the CB shall file two (2) copies of a request for conversion with particulars required for the request for conversion, including without limitation, the scope of bonds and the date of conversion request specified therein, together with a document certified by a

competent registration authority that the holder is a creditor.

- B. Effective date of conversion: Conversion shall become effective when the request for conversion and all required documents are filed.
- C. First dividend to and interest on shares issued through the conversion: With regard to the payment of dividends to shares subject to the exercise of conversion rights, the shares shall be deemed to be converted at the end of the fiscal year preceding a fiscal year in which the conversion was requested, and shall have no effect on the interest paid, provided, however, that the coupon interest accrued from the immediately preceding date of interest payment to the date of conversion request shall not be paid.
- D. Reservation of unissued shares: The Company shall reserve the number of shares to be issued by a conversion request as unissued shares out of the total authorized shares to be issued by it until the end of the conversion period. **secrecy**.

- E. Registration of an increase in equity capital by conversion: An increase in equity capital that has been resulted from the conversion of the CB shall be registered within two (2) weeks from the conversion request date.

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- F. Notice on adjustment to the Conversion Price: If the Conversion Price is adjusted, the Issuer shall notify or disclose such adjustment to the Subscriber.

Article 4. Registration

The registration certificate shall be in the form prescribed by the registration agency.

Article 5. Costs

The Issuer shall be liable for the costs (including stamp duties) incurred in connection with the issuance of this CB.

Article 6. Obligation to pay the Principal and Interest

The Issuer shall be fully responsible for the obligation to pay the principal and interest of this CB.

Article 7. Covenants after Conversion

1. Even if the Subscriber becomes a shareholder by exercising some or all of the conversion rights of this CB, the provisions herein

or all of the conversion rights of this CB, the provisions herein applicable to the Subscriber (including but not limited to Article 8 and 9) shall equally apply as long as they are not contradictory in nature. The Issuer shall duly fulfill the rights and obligations specified in this Agreement.

2. Notwithstanding Paragraph 1 above, if the Subscriber disposes of more than 90% of the shares converted after becoming a shareholder by exercising all of the conversion rights of this CB, the provisions of Articles 8 and 9 of this Agreement shall not apply.

Article 8. Prior Consultation and Notification

1. The Issuer shall consult with the Subscriber in advance with respect to the following items, regardless of whether it is before or after the conversion of stocks, and notify the Subscriber of the results thereof:

- (1) Change of company name or head office address
- (2) Disposition of significant assets
- (3) Establishment of subsidiaries
- (4) Other significant changes in the status of the Issuer

2. The Issuer shall consult with the Subscriber in advance in the following cases, regardless of whether it is before or after the conversion of stocks:

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- (1) Change of control of the Issuer, such as a merger, split, transfer of business, entrustment of management, and other matters that have a significant impact on the management of the Issuer

- (2) Suspension or abandonment of business and other matters that have a significant impact on the management of the Issuer

- (3) If the issuance of any stock-related securities, such as new shares, convertible bonds, etc. that cause a change in the percentage of the Issuer's ownership, or the granting of stock options to employees exceeds 10% of the total issued shares.

3. If the Issuer fails to fulfill or delays the obligations under Paragraphs 1 and 2 above and causes damages to the Subscriber, the Issuer shall compensate for such damages.

Article 9. Submission of Financial Statements and Other Materials

1. The Issuer shall submit the annual financial statements (balance sheet, income statement, statement of changes in equity, etc.) and external audit report (if any) to the Subscriber two weeks before the annual general meeting of shareholders following the end of each fiscal year.

2. In addition to the reports under Paragraph 1 above, the Issuer shall submit or allow inspection of documents and other materials related

to the financial status, management performance, and business situation upon request by the Subscriber within the specified period.

Article 10. Acceleration

1. In the event of the occurrence of one of the following events, the Subscriber may declare part or all of the CB then unpaid immediately due and payable. In such case, the Subscriber may demand the Issuer to redeem part or all of principal amount of the CB and interest accrued on the CB from the immediately preceding interest payment date until the event of the default date, as well as interests on the outstanding principal amount and interest amounts of the CB applying the Default Interest under Clause 12 of this Article from the date immediately after the event of default and the full payment.

A. The Issuer files for or initiates bankruptcy or corporate rehabilitation proceeding (or such proceeding commenced against the Issuer is not withdrawn within five (5) Business Days) or the Issuer is declared bankrupt or corporate rehabilitation proceeding (including in the case similar proceeding is commenced pursuant to enactment or amendment to the relevant laws)

B. The Issuer is in default or suspension with its payment, including the cases in which the Issuer becomes subject to the suspension of transaction imposed by

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financial institutions, promissory note exchange decides to suspend transaction or registration for the default list is applied.

C. The Issuer fails to perform its obligations to pay part or all of the CB's principal or to pay due and payable interests.

D. If an attachment order is rendered on entire assets of the Issuer or on the Issuer's material assets or auction is commenced against such assets.

E. If the information or materials provided by the Issuer to the Subscriber are not true or omit material matters (excluding forecasting materials such as forecasted financial statements).

Article 11. Return of the CB

The Issuer may not demand the Subscriber to return the CB until the obligation to pay the CB's principal and interests are completely fulfilled.

Article 12. Matters Regarding Litigation

The first instance court of any and all disputes concerning the CB and the Agreement shall be the Seoul Central District Court.

Article 13. Miscellaneous

1. Confidentiality and Prohibited Acts

- 1) Except as may be required by law, in response to requests for provision of the information from the courts, governments, financial regulatory authorities or other government agencies, and except as permitted by this Agreement, the Parties shall not publicize, disclose, or cause to disclose the matters related to the transaction documents and intended matters thereof, or any other matters related to this transaction directly or through its affiliates, employees, officers, or agents or use or use such matters for any purpose other than the performance of this Agreement
- 2) The Parties shall not disclose to the third party any information contained in data transferred between the parties and any other information about the other Party that Party became aware of while this Agreement remains in effect without the prior written consent of the other Party (except the information that is already known by the Party through a legitimate route before provided by the other Party,

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and information that is already known to the public without breach of this Article).

- 3) The Issuer shall not commit an act that may directly or indirectly affect the number of outstanding shares of the company, such as the issuance of new shares and convertible bonds, bonds with warrants, issuance of warrants, etc., other than the issuance of the CB until the date of payment.

2. Fees and Taxes

Each Party shall be responsible for its own costs, expenses and taxes incurred in relation to preparation, negotiation and the execution and performance of this Agreement and other related documents as well as the transaction contemplated therein.

3. No Representation

This Agreement shall not be deemed to have authorized each Party to represent the other Party or company, or to have

authorized the company to represent the Parties.

4. No Waiver

Unless the Subscriber clearly express its intention in writing, any action (delay or dismissal of the request for performance, failure to make a request for performance, or any other act necessary for performance) shall not be deemed to be a waiver of its rights under this Agreement, even if the Subscriber does not exercise any right recognized in this Agreement. In addition, even if the Subscriber does not exercise certain rights, the Subscriber may exercise any other rights and the above lack of exercise shall not affect such exercise of rights.

5. Notices

All communication and notices related to this Agreement shall be in writing, and such notice shall be made by person, by courier service, by facsimile, by email or by registered or content-certified mail.

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IN WITNESS WHEREOF, this Agreement has been executed in three (3) copies. After the Parties subscribe their names and affix their seals thereto, each Party shall keep one (1) copy thereof.

[05/03], 2023

Issuer

Cyworld Z Co., Ltd.

Address: (Sinsa-dong) 29-1 Nonhyeon-ro 158-gil, Gangnam-gu, Seoul

Representative Director: Kim Tae Hoon

Subscriber

Excure, INC.

Address 2430 N. Halsted St. Chicago, IL. 60614

Representative Director: Jung Sang Kim

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Exhibit 10.5

Cyworld Z Co., Ltd.

14th Bearer's Non-Guaranteed Private Placement Convertible Bonds With Coupons Convertible Bond Subscription Agreement

Total Issue Amount : USD 1,000,000

Subscription Agreement Execution Date: [5/16], 2023

Payment Date and Issue Date: [5/16], 2023

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Convertible Bond Subscription Agreement

This Convertible Bond Subscription Agreement (the "**Agreement**") is made and entered into by and among the following parties as of [5/16], 2023.

Issuer **Cyworld Z Co., Ltd.**
Address: (Sinsa-dong) 29-1 Nonhyeon-ro 158-gil,
Gangnam-gu, Seoul

Subscriber Exicure, Inc.
Address: 2430 N. Halsted St. Chicago, IL, 60614 U.S.A

The Subscriber may be individually referred to as the "**Subscriber**." The Issuer and the Subscriber may be individually referred to as the "**Party**," and collectively as the "**Parties**."

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Recitals

WHEREAS, the Issuer desires to issue '14th Bearer's Non-Guaranteed Private Placement Convertible Bonds With Coupons' (the

“CB”); and

WHEREAS, the Subscriber agrees to subscribe the CB, subject to terms and conditions of this Agreement. For the purpose of clarification, the term “subscription” as used in this Agreement shall mean acquisition of rights and interests in the CB and shall not mean “subscription” as defined and used in Section 9.11 of the Korean Financial Investment Services and Capital Markets Act (the “**Capital Markets Act**”).

NOW, THEREFORE, in consideration of the mutual premises and covenants set forth herein, the Issuer and the Subscriber hereby agree as follows in connection with the issuance, the subscription of the CB and other related matters:

Article 1. Purpose

The purpose of this Agreement is to stipulate rights and obligations among the Issuer and the Subscriber in connection with the Subscriber’s subscription of the CB issued by the Issuer.

Article 2. Subscription

The Issuer shall amend any provisions in the articles of incorporation, internal regulations, and other rules related to the operation of the company that are inconsistent with the terms of this Agreement, in order to faithfully fulfill this Agreement.

Article 3. Terms and Conditions of the CB

The terms and conditions of the CB to be issued by the Issuer are as follows:

1. Type of the CB: 14th Bearer’s Non-Guaranteed Private Placement Convertible Bonds With Coupons

2. Total Face Value: USD 1,000,000
“Work Product” means:

3. (A) Use any data, databases, materials, documentation, computer programs, inventions (whether or not patentable), designs, trademarks, trade dress, and/or works of Funds: Working capital

4. Subscription Amount.: USD 1,000,000

5. Denominations and the Number of CB Certificates: Four (4) CB certificates with a denomination of USD 250,000. The CB is a bearer’s non-guaranteed private placement bond and shall not be split or merged for one (1) year from the issue date.

6. Issue Price: 100% of the face value of the CB
7. Coupon Rate: The coupon rate for the CB commencing from the Issue Date until the Maturity Date shall be 0.00% per annum for each CB's face value (the "**Coupon Rate**").
8. Yield to Maturity: The yield to maturity shall be 4.5% per annum (the "**YTM**").
9. Maturity Date: [5/15], 2026 ("**Maturity Date**")
10. Payment Method and Deadline of the Principal and Interest of the CB
 - (1) On the Maturity Date of this CB (the "**Redemption Date**"), the amount equivalent to 114.1166% of the principal amount, which is the amount calculated by subtracting the interest actually paid until the day before the Maturity Date from the amount calculated by the ratio of the yield to maturity (4.5% per annum) under Paragraph 8 of this Article from the issue date to the day before the Maturity Date with respect to the face value of this CB for which conversion rights have not been exercised, shall be paid in lump sum, provided that, if the Maturity Date or the coupon payment date falls on a bank holiday, the payment will be made on the next Business Day without any additional calculation of interest. The "**Business Days**" shall mean days that are not public holidays in Korea and days banks in Seoul are opened for their ordinary business operations (excluding the days only part of banks or part of banks' branches are opened).
 - (2) The Coupon Rate shall be 0% and the Issuer shall not pay any separate interest before the Maturity Date.
11. Principal and Interest Payment Location: The Issuer's head office
12. Default Interest: If the Issuer does not pay principal or early redemption amount due and payable hereunder, the Issuer shall pay the default interest on such principal or the early redemption amount (the "**Default Interest**") commencing from the date immediately after the relevant due date and until the full payment. The Default Interest rate shall be 10% per annum accrued on a daily basis based on a period of 365 days in a year.
13. Put Option: Subscriber shall have the put option right to request the Issuer to redeem part or entire principal amount of the CB on the first anniversary after the issue date (inclusive of this date) and every three month thereafter prior to the Maturity Date thereof (the "**Put Option**"), provided that, if the early redemption date falls on a non-Business Day, then the early redemption shall be made on the next Business Day and the interests accrued after the early redemption date shall not be calculated.

(1) The amounts subject to the Put Option

[08/15/2024]: [105.6756]% of the face value of the CB
 [11/15/2024]: [106.8516]% of the face value of the CB
 [02/15/2025]: [108.0269]% of the face value of the CB
 [05/15/2025]: [109.2025]% of the face value of the CB
 [08/15/2025]: [110.4310]% of the face value of the CB
 [11/15/2025]: [111.6596]% of the face value of the CB
 [02/15/2026]: [112.8881]% of the face value of the CB

(2) Application Location for the Early Redemption: The Issuer's head office

(3) The Early Redemption Payment Location: The Issuer's head office

(4) Early Redemption and Put Option Exercise Period: The bondholder intending to exercise its Put Option shall request to the Issuer for early redemption during the period between sixty (60) days to thirty (30) days before the early redemption date (the "Put Option Exercise Period"), provided that, if the last day of the Put Option Exercise Period falls on a non-Business Day, then such last day shall be the next Business Day.

Classification	Put Option Exercise Period		Early Redemption Date (YY-MM-DD)	Early Redemption Ratio
	From	To		
	60 days before	30 days before		
1st Round	06/15/2024	07/15/2024	08/15/2024	105.6756%
2nd Round	09/15/2024	10/15/2024	11/15/2024	106.8516%
3rd Round	12/15/2024	01/15/2025	02/15/2025	108.0269%
4th Round	03/15/2025	04/15/2025	05/15/2025	109.2025%
5th Round	06/15/2025	07/15/2025	08/15/2025	110.4310%
6th Round	09/15/2025	10/15/2025	11/15/2025	111.6596%
7th Round	12/15/2025	01/15/2026	02/15/2026	112.8881%

14. Conversion: The Subscriber shall have the right to convert the CB held with it into common stock of the Issuer according to the following terms and conditions.

(1) Class of stock to be issued through the exercise of conversion rights by the Subscriber: Non-bearer common stock of the Company with a par value of KRW 5,000 per share

(2) Conversion ratio: 100% of the CB's face value

The number of converted shares shall be one hundred percent (100%) of the number of shares to be computed by dividing the face value of each CB (aggregate face value in case at least two CB certificates are to be converted) by the conversion price. A fraction share that is less than one (1) full share shall be

paid in cash by the Issuer at the time of delivery of stock certificates, and no interest shall accrue on the payment for such fractional shares, provided, that, there will be no right to convert part of the face value of the CB.

(3) Conversion Price: [85,000 KRW] per share (based on the par value of [5,000 KRW] per share) (the “**Conversion Price**”)

(4) Adjustment of the Conversion Price

A. Where the Company engages in capital increase, stock dividends or the transfer of reserves to equity capital or engages in the issuance of convertible bonds or bonds with warrant, each case of which value will be less than the market price the conversion price shall be adjusted as follows. The adjustment date to the conversion price shall be the issue date of the newly issued stocks based on capital increase, stock dividends or the transfer of reserves to equity capital or issue date of the convertible bonds or bonds with warrant.

Conversion Price after adjustment = Conversion Price before adjustment X $\{[A + (B \times C / D)] / (A + B)\}$

- A: The number of shares already issued
- B: The number of shares newly issued
- C: The issuance price per share
- D: The market price

The “market price” for the above formula shall be the standard stock price (as prescribed in Article 5-18 of the Korean Regulations of Issuance and Disclosure of Securities) or the Ex-Right Price (in the cases other than the capital increase, the standard stock price as of the date immediately prior to the occurrence of the triggering event for the adjustment).

In the formula above, the “number of shares already issued” shall be the total number of issued shares as of the date immediately preceding the occurrence of an event triggering adjustment, and in the case of the issuance of convertible bonds or bonds with warrant, the “number of shares newly issued” shall be the number of shares to be issued if such

issued shall be the number of shares to be issued if such bonds are converted into shares at the conversion price determined at the time of issuance of such bonds or the conversion rights to such bonds are fully exercised at the conversion price determined at the time of issuance of such bonds.

Further, in the formula above, the "issuance price per share" shall be zero (0) in the case of stock splits, bonus issues, and stock dividend, and shall be the conversion price or the exercise price determined at the time of issuance of

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relevant bonds in the case of the issuance of convertible bonds or bonds with warrant.

B. If the adjustment of the Conversion Price is necessary due to a merger, decrease in equity, stock split or merge, etc., the Conversion Price shall be adjusted in a way of ensuring the number of shares that the Subscriber could have held had the CB been fully converted into shares right before the merger, decrease in equity, or stock split or merge, etc.

C. Adjustment due to market price decline: The Conversion Price after adjustment shall be at least 70/100 of the Conversion Price at the time of issuance (if the Conversion Price has already been lowered or increased due to the reasons specified in A. or B. above before the adjustment date, the Conversion Price shall be calculated taking into account such adjustments).

D. If the adjusted Conversion Price is below the par value, the par value shall be used as the Conversion Price.

(5) Conversion period: The CB may be converted from May 16, 2024, the first anniversary of the issue date of the CB, to April 15, 2026, one month prior to the maturity date of the CB.

(6) Place for the conversion request: the Issuer's head office

(7) Miscellaneous

A. Procedure and method of conversion request: The holder of the CB shall file two (2) copies of a request for conversion with particulars required for the request for conversion, including without limitation, the scope of bonds and the date of conversion request specified

therein, together with a document certified by a competent registration authority that the holder is a creditor.

- B. Effective date of conversion: Conversion shall become effective when the request for conversion and all required documents are filed.
- C. First dividend to and interest on shares issued through the conversion: With regard to the payment of dividends to shares subject to the exercise of conversion rights, the shares shall be deemed to be converted at the end of the fiscal year preceding a fiscal year in which the conversion was requested, and shall have no effect on the interest paid, provided, however, that the coupon interest accrued from the immediately preceding date of interest payment to the date of conversion request shall not be paid.

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- D. Reservation of unissued shares: The Company shall reserve the number of shares to be issued by a conversion request as unissued shares out of the total authorized shares to be issued by it until the end of the conversion period.
- E. Registration of an increase in equity capital by conversion: An increase in equity capital that has been resulted from the conversion of the CB shall be registered within two (2) weeks from the conversion request date.
- F. Notice on adjustment to the Conversion Price: If the Conversion Price is adjusted, the Issuer shall notify or disclose such adjustment to the Subscriber.

Article 4. Registration

The registration certificate shall be in the form prescribed by the registration agency.

Article 5. Costs

The Issuer shall be liable for the costs (including stamp duties) incurred in connection with the issuance of this CB.

Article 6. Obligation to pay the Principal and Interest

The Issuer shall be fully responsible for the obligation to pay the principal and interest of this CB.

Article 7. Covenants after Conversion

1. Even if the Subscriber becomes a shareholder by exercising some or all of the conversion rights of this CB, the provisions herein applicable to the Subscriber (including but not limited to Article 8 and 9) shall equally apply as long as they are not contradictory in nature. The Issuer shall duly fulfill the rights and obligations specified in this Agreement.
2. Notwithstanding Paragraph 1 above, if the Subscriber disposes of more than 90% of the shares converted after becoming a shareholder by exercising all of the conversion rights of this CB, the provisions of Articles 8 and 9 of this Agreement shall not apply.

Article 8. Prior Consultation and Notification

1. The Issuer shall consult with the Subscriber in advance with respect to the following items, regardless of whether it is before or after the conversion of stocks, and notify the Subscriber of the results thereof:
 - (1) Change of company name or head office address

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- (2) Disposition of significant assets
- (3) Establishment of subsidiaries
- (4) Other significant changes in the status of the Issuer

2. The Issuer shall consult with the Subscriber in advance in the following cases, regardless of whether it is before or after the conversion of stocks:
 - (1) Change of control of the Issuer, such as a merger, split, transfer of business, entrustment of management, and other matters that have a significant impact on the management of the Issuer
 - (2) Suspension or abandonment of business and other matters that have a significant impact on the management of the Issuer
 - (3) If the issuance of any stock-related securities, such as new shares, convertible bonds, etc. that cause a change in the percentage of the Issuer's ownership, or the granting of stock options to employees exceeds 10% of the total issued shares.
3. If the Issuer fails to fulfill or delays the obligations under Paragraphs 1 and 2 above and causes damages to the Subscriber, the Issuer shall compensate for such damages.

Article 9. Submission of Financial Statements and Other Materials

1. The Issuer shall submit the annual financial statements (balance sheet, income statement, statement of changes in equity, etc.) and external audit report (if any) to the Subscriber two weeks before the annual general meeting of shareholders following the end of each fiscal year.

2. In addition to the reports under Paragraph 1 above, the Issuer shall submit or allow inspection of documents and other materials related to the financial status, management performance, and business situation upon request by the Subscriber within the specified period.

Article 10. Acceleration

1. In the event of the occurrence of one of the following events, the Subscriber may declare part or all of the CB then unpaid immediately due and payable. In such case, the Subscriber may demand the Issuer to redeem part or all of principal amount of the CB and interest accrued on the CB from the immediately preceding interest payment date until the event of the default date, as well as interests on the outstanding principal amount and interest amounts of the CB applying the Default Interest under Clause 12 of this Article from the date immediately after the event of default and the full payment.

A. The Issuer files for or initiates bankruptcy or corporate rehabilitation proceeding (or such proceeding commenced against the Issuer is not withdrawn

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within five (5) Business Days) or the Issuer is declared bankrupt or corporate rehabilitation proceeding (including in the case similar proceeding is commenced pursuant to enactment or amendment to the relevant laws)

B. The Issuer is in default or suspension with its payment, including the cases in which the Issuer becomes subject to the suspension of transaction imposed by financial institutions, promissory note exchange decides to suspend transaction or registration for the default list is applied.

C. The Issuer fails to perform its obligations to pay part or all of the CB's principal or to pay due and payable interests.

D. If an attachment order is rendered on entire assets of the Issuer or on the Issuer's material assets or auction is commenced against such assets.

E. If the information or materials provided by the Issuer to the Subscriber are not true or omit material matters (excluding forecasting materials such as forecasted financial statements).

Article 11. Return of the CB

The Issuer may not demand the Subscriber to return the CB until the

obligation to pay the CB's principal and interests are completely fulfilled.

Article 12. Matters Regarding Litigation

The first instance court of any and all disputes concerning the CB and the Agreement shall be the Seoul Central District Court.

Article 13. Miscellaneous

1. Confidentiality and Prohibited Acts

- 1) Except as may be required by law, in response to requests for provision of the information from the courts, governments, financial regulatory authorities or other government agencies, and except as permitted by this Agreement, the Parties shall not publicize, disclose, or cause to disclose the matters related to the transaction documents and intended matters thereof, or any other matters related to this transaction directly or through its affiliates, employees, officers, or agents or use or use such matters for any purpose other than the performance of this Agreement

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- 2) The Parties shall not disclose to the third party any information contained in data transferred between the parties and any other information about the other Party that Party became aware of while this Agreement remains in effect without the prior written consent of the other Party (except the information that is already known by the Party through a legitimate route before provided by the other Party, and information that is already known to the public without breach of this Article).
 - 3) The Issuer shall not commit an act that may directly or indirectly affect the number of outstanding shares of the company, such as the issuance of new shares and convertible bonds, bonds with warrants, issuance of warrants, etc., other than the issuance of the CB until the date of payment.

2. Fees and Taxes

Each Party shall be responsible for its own costs, expenses and taxes incurred in relation to preparation, negotiation and the execution and performance of this Agreement and other related documents as well as the transaction contemplated therein.

3. No Representation

This Agreement shall not be deemed to have authorized each

Party to represent the other Party or company, or to have authorized the company to represent the Parties.

4. No Waiver

Unless the Subscriber clearly express its intention in writing, any action (delay or dismissal of the request for performance, failure to make a request for performance, or any other act necessary for performance) shall not be deemed to be a waiver of its rights under this Agreement, even if the Subscriber does not exercise any right recognized in this Agreement. In addition, even if the Subscriber does not exercise certain rights, the Subscriber may exercise any other rights and the above lack of exercise shall not affect such exercise of rights.

5. Notices

All communication and notices related to this Agreement shall be in writing, and such notice shall be made by person, by courier service, by facsimile, by email or by registered or content-certified mail.

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IN WITNESS WHEREOF, this Agreement has been executed in three (3) copies. After the Parties subscribe their names and affix their seals thereto, each Party shall keep one (1) copy thereof.

[05/16], 2023

Issuer

Cyworld Z Co., Ltd.

Address: (Sinsa-dong) 29-1 Nonhyeon-ro 158-gil, Gangnam-gu, Seoul

Representative Director: Kim Tae Hoon

Subscriber

Exicure, Inc.

Address 2430 N. Halsted St. Chicago, IL. 60614 U.S.A

Representative Director: Jung Sang Kim

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Exhibit 10.6

Separation and Release Agreement

This Separation and Release Agreement (the "Agreement") by and between Exicure, Inc. (the "Company") and Sarah Longoria ("You" or "Your") (the Company and You collectively referred to as the "Parties"), is entered into and effective as of May 26, 2023 (the "Effective Date").

WHEREAS, You have been employed by the Company on an at-will basis;

WHEREAS, the Parties mutually agreed to terminate Your employment with the Company effective May 26, 2023 (the "Separation Date");

WHEREAS, both Parties have read and understand the terms of this Agreement, and both Parties have been provided with reasonable opportunities to consult with their respective legal counsel prior to entering this Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and obligations set forth herein, which covenants and agreements constitute good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Separation. Regardless of whether you sign this Agreement, the Company shall pay You (i) all accrued but unpaid base salary through Separation Date, and (ii) any accrued and unused paid time off (as governed by Company policy on pay at termination), through the Separation Date, each subject to all applicable taxes and withholdings, no later than the next regularly scheduled payday following the Separation Date, unless sooner as required by law. You will also continue to be covered under any Company group medical plans that You participate in until May 31, 2023. Additionally, the Company shall reimburse You for all necessary and reasonable business-related expenses You incurred through the Separation Date, subject to and in accordance with Company policy.

2. Termination of Prior Agreement. Effective as of the Effective Date, the Employment Agreement between You and the Company dated March 5, 2021, as further amended by the First Amendment on December 10, 2021 and Second Amendment on September 23, 2022 (the "Prior Agreement") shall terminate in its entirety; provided, however, that any of Your post-termination obligations contained in the Confidentiality, Non-Hire, Non-Disparagement, and Work Product Agreement attached as Exhibit A to the Prior Agreement shall survive and remain in full force and effect. Subject to Paragraph 3(b) below, You acknowledge and agree that the termination of the Prior Agreement does not and will not result in the vesting, acceleration, or triggering of any employment benefit in Your favor, authorship, including but not limited to, discoveries, ideas, concepts, properties, formulas, compositions, methods, programs, procedures, systems, techniques, products, improvements, innovations, writings, pictures, audio, video, images, and artistic works, and any post-termination payment.

3. Consideration. Provided that You satisfy the conditions related application or registrations, and each and every original, interim and final version, copy, replica, prototype, or other original work of this Agreement, including the return of all Company property, the Company shall:

(a) Separation Payment. Pay You a single lump sum

separation payment equal to Three Hundred Seventy Thousand Dollars and Zero Cents (\$370,000.00), minus all applicable withholdings, including taxes and Social Security (the "Separation Payment"). The Separation Payment shall be paid within five (5) days after You return an executed version of this Agreement to the Company's Controller, located at 2430 N Halsted, Chicago, IL, 60614; and

(b) Accelerated Vesting. Accelerate the vesting of all Your outstanding equity awards such that those awards become fully vested and exercisable as of Separation Date, subject to and authorship thereof or in accordance with the terms and conditions of the applicable award agreement governing each award, and the Company's 2015 and 2017 Equity Incentive Plan.

(the above-referenced items collectively, the "Separation Benefits"). Because You are no longer employed, Your rights to any particular employee benefit shall be governed by applicable law and the terms and provisions of the Company's various employee benefit plans and arrangements. You acknowledge that the Effective Date shall be the date used in determining benefits under all Company employee benefit plans. The Company's obligation to provide You with the Separation Benefits above shall terminate immediately upon any breach by You of this Agreement or any post-termination obligations to which You are subject.

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4. Release. In exchange for the consideration set forth above, You release and discharge the Company, from way related thereto, any and all claims reproductions, distribution rights, ancillary rights, performances, displays, derivative works, amendments, versions, modifications, copies, or liability, whether known or unknown, arising out of any event, act, or omission occurring on or before the day You sign this Agreement, including, but not limited to, claims arising out of Your employment or the cessation of Your employment, claims arising out of or relating to the Prior Agreement or the termination other permutations of the Prior Agreement, claims arising out foregoing, regardless of the Employment Retirement Income Security Act of 1974 (ERISA), 29 U.S.C. §§ 1001-1461, claims arising out of form or type and the renewals and extensions thereof;

(B) any offer letter or employment agreement with the Company, claims for breach of contract, tort, negligent hiring, negligent retention, negligent supervision, negligent training, employment discrimination, retaliation, or harassment, claims arising under the Illinois Human Rights Act or the Illinois Worker Adjustment Retraining and Notification Act, as well as any other statutory or common law claims, at law or in equity, recognized under any federal, state, or local law. You also release any claims for unpaid back pay, sick pay, expenses, bonuses, claims arising out of or relating to equity or other ownership interest in the Company, commissions, attorneys' fees, or any other compensation. You agree that You are not entitled to any additional payment or benefits from the Company, except as set forth in this Agreement. You further agree that You have suffered no harassment, retaliation, employment discrimination, or work related injury or illness

retaliation, employment discrimination, or work-related injury or illness and that you do not believe that this Agreement is a subterfuge to avoid disclosure of sexual harassment or gender discrimination allegations. You acknowledge and represent that You: (i) have been fully paid subject matter (including but not limited to any overtime to which You are entitled, if any) new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof) protected or eligible for hours You worked for the Company, and (ii) do not claim that the Company violated protection under patent, copyright, proprietary database, trademark, trade dress, Trade Secret, rights of publicity, Confidential Information, or denied Your other property rights, under the Fair Labor Standards Act. Notwithstanding the foregoing, the release of claims set forth above does not waive Your right to receive benefits under the Company's 401(k) or pension plans, if any, that either (a) have accrued or vested prior to the Separation Date, or (b) are intended, under the terms of such plans, to survive Your separation from the Company, including all worldwide rights therein;

5. (C) No Admission of Liability. This Agreement is not an admission of liability by the Company.¹ The Company denies any liability whatsoever. The Company enters into this Agreement to reach a mutual agreement concerning Your separation from the Company.

6. Future Employment. You agree that the Company¹ has no obligation to consider You for employment should You apply in the future.

7. Mutual Non-Disparagement. You shall not make any disparaging or defamatory statements, whether written or oral, regarding the Company.¹ The Company shall instruct the Board not to make any disparaging or defamatory statements, whether written or oral, regarding You.

8. Mutual Confidentiality. You acknowledge goodwill, commercial and agree that neither You nor anyone acting on Your behalf has made or will make any disclosures concerning the existence or terms of this Agreement to any person or entity, including, but not limited to, any representative of the media, Internet web page, social networking site, "blog" or "chat room," judicial or administrative agency or body, business entity or association, except: (a) Your spouse; (b) Your attorneys, accountants or financial advisors; or (c) any court or government agency pursuant to an official request by such government agency, court order or legally enforceable subpoena. If You are contacted, served or learn that You will be served with a subpoena to compel Your testimony or the production of documents concerning this Agreement or Your employment with the Company, You agree to immediately notify [Jung S. (Michael) Kim, Chief Executive Officer], by telephone. If You disclose the existence or terms of this Agreement pursuant to sub-clauses (a) or (b) of this paragraph, You shall inform such person or entity (i) of this confidentiality provision, economic benefits, relationship and (ii) to maintain the same level of confidentiality required by this provision. Any breach of this provision by such person or entity shall be considered a breach by You. You may not use this Agreement as evidence, except in a proceeding in which a breach of this Agreement is alleged.

The Company shall instruct the Board or other Company executive not to make any disclosures concerning the existence or terms of this Agreement to any person or entity, including, but not limited to, any representative of the media, Internet web page, social networking site, "blog" or "chat room," judicial or administrative agency or body, business entity or association, except: (a) the Company's attorneys, accountants or financial advisors; (b) any employee of the Company as required to implement this Agreement;

any employee of the Company as required to implement this Agreement, or (c) any court or government agency pursuant to an official request by such government agency, court order or legally enforceable subpoena.

1 For purposes of Sections 3, 4, 5, and 6 of this Agreement, the term "Company" includes the Company, the Company's current and former parents, subsidiaries, affiliates, and all related companies, as well as their respective officers, directors, shareholders, employees, agents, and any other representatives, any employee benefits plan of the Company, and any fiduciary of those plans.

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9. **Return of Company Property.** You shall immediately return to the Company all of the Company's property, including, but not limited to, computers, computer equipment, office equipment, mobile phone, keys, passcards, credit cards, confidential or proprietary lists (including, but not limited to, customer, supplier, licensor, and client lists), tapes, laptop computer, electronic storage device, software, computer files, marketing and sales materials, and any other property, record, document, or piece of equipment belonging to the Company. You shall not (a) retain any copies of the Company's property, including any copies existing in electronic form, which are in Your possession, custody, or control, or (b) destroy, delete, or alter any Company property, including, but not limited to, any files stored electronically, without the Company's prior written consent. The obligations contained in this Section shall also apply to any property which belongs to a third party, including, but not limited to, (i) any entity which is affiliated or related to the Company, or (ii) the Company's customers, licensors, or suppliers.

10. **Prohibited Post-Employment Activities.** You acknowledge and agree that, effective as of the Effective Date: (a) You removed any reference to the Company as Your current employer from any source You control, either directly or indirectly, including, but not limited to, any Social Media such as LinkedIn, Facebook, Twitter, and/or Instagram, and (b) You are not permitted to represent Yourself as currently being employed by the Company to any person or entity, including, but not limited to, on any Social Media. For purposes of this Section, "Social Media" means any form of electronic communication (such as Web sites for social networking and micro blogging) through which users create online communities to share information, ideas, personal messages and other content, such as videos.

11. **Consulting Services.** For a period of three (3) months following the Effective Date (the "Consulting Period"), You agree to provide general human resources-related consulting services to the Company, for up to a maximum of five (5) hours per week during the Consulting Period (the "Consulting Services"). The Company shall pay You Fifteen Thousand Dollars and Zero Cents (\$15,000.00) per month for the Consulting Services. Such payments shall be made on June 30, 2023, July 31, 2023 and August 31, 2023. You acknowledge and agree that during the Consulting Period: (a) You will be an independent contractor of the Company under the laws of the United States, under applicable state laws, and under the common law; (b) You will not be eligible to participate in any employee benefit program offered by Company to its employees or agents; (c) You will not be covered under Company's worker's compensation

insurance or state unemployment insurance coverages; and (d) You will be solely responsible, and Company has no responsibility, to pay any and all taxes applicable to the compensation You receive from the Company for the Consulting Services.

12. **Attorneys' Fees.** In the event of litigation relating to this Agreement, the Company shall, if it is the prevailing party, be entitled to recover attorneys' fees and costs of litigation, in addition to all other remedies available at law or in equity.

13. **Entire Agreement.** This Agreement and the Confidentiality, Non-Hire, Non-Disparagement, and Work Product Agreement attached as Exhibit A to the Prior Agreement (the "Confidentiality Agreement") (collectively, the "Agreements") constitute the entire agreement between the Parties. The Confidentiality Agreement is incorporated by reference, and Your post-termination obligations contained in the Confidentiality Agreement shall remain in full force and effect, and shall survive cessation of Your employment. You acknowledge that Your post-termination obligations contained in the Confidentiality Agreement are valid, enforceable, and reasonably necessary to protect the interests of the Company, and You agree to abide by such obligations. These Agreements supersede any prior communications, agreements, or understandings, whether oral or written, between the Parties **contracts** arising out of or relating to the subject matter of this Agreement. Other than this Agreement, no other representation, promise, or agreement has been made with You to cause You to sign this Agreement. **resulting from Your employment; and**

14. (D) **Non-Interference.** Notwithstanding anything to the contrary set forth in this Agreement or in any other agreement between You **Intellectual Property Rights included within** and the Company, nothing in this Agreement or in any other agreement shall limit Your ability, or otherwise interfere with Your rights, to (a) file a charge or complaint **associated** with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety **items described in (i), (ii)** and Health Administration, the Securities and Exchange Commission, or any other federal, state, or local governmental agency or commission (each a "Government Agency"), (b) communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company, (c) receive an award for information provided to any Government Agency, or (d) engage in activity specifically protected by Section 7 of the National Labor Relations Act, or any other federal or state statute or regulation. This **(iii).**

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Agreement also does not limit Your right to receive only a reward from a government-administered reward program for providing information directly to a government agency; however, as provided in this Agreement, You **further waive any right to any form of damages (including, but not limited to**

further waive any right to any form of damages (including, but not limited to lost wages, compensatory damages, liquidated damages, or punitive damages), reinstatement, attorneys' fees and costs, or other remedy in any action brought by You or on Your behalf.

15. **Governing Law/Consent to Jurisdiction.** The laws of the State of Illinois shall govern this Agreement. If Illinois' conflict of law rules would apply another state's laws, the Parties agree that Illinois law shall still govern. You agree that any and all claims arising out of or relating to this Agreement shall be brought solely and exclusively in a state or federal court of competent jurisdiction in Illinois. You consent to the personal jurisdiction of the state and/or federal courts located in Illinois. You waive (a) any objection to jurisdiction or venue, or (b) any defense claiming lack of jurisdiction or improper venue, in any action brought in such courts.

16. **Offer Period.** You have seven (7) days (the "Offer Period") from receipt of this Agreement to consider whether to sign it. You understand that this Agreement may be revoked at any time prior to expiration of the Offer Period. If You sign before the Company revokes and before the end of the Offer Period, You acknowledge that Your decision to do so was knowing, voluntary, and not induced by fraud, misrepresentation, or a threat to withdraw, alter, or provide different terms prior to the expiration of the Offer Period.

17. **Voluntary Agreement.** You acknowledge the validity of this Agreement and represent that You have the legal capacity to enter into this Agreement. You acknowledge and agree You have carefully read the Agreement, know and understand the terms and conditions, including its final and binding effect, and sign it voluntarily.

18. **Successors and Assigns.** This Agreement shall be assignable to, and shall inure to the benefit of, the Company's successors and assigns, including, without limitation, successors through merger, name change, consolidation, or sale of a majority of the Company's stock or assets, and shall be binding upon You and Your heirs and assigns.

19. **Execution.** This Agreement may be executed in one or more counterparts, including, but not limited to, facsimiles and scanned images, and it shall not be necessary that the signatures of all Parties hereto be contained on any one counterpart. Each counterpart shall for all purposes be deemed to be an original, and each counterpart shall constitute this Agreement.

If the terms set forth in this Agreement are acceptable, please initial each page, sign below, and return the signed original to the Company on or before expiration of the Offer Period. You understand that this Agreement can be revoked at any time prior to expiration of the Offer Period. If the Company does not receive a signed original on or before expiration of the Offer Period, then this offer is automatically revoked, and You shall not be entitled to the consideration set forth in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

Excicure, Inc.

By: /s/ Michael Kim

Sarah Longoria

Its: CEO

/s/ Sarah Longoria

Date: 5/27/23

Date: 5/26/23

Amended and Restated Employment Agreement

This Employment Agreement (the "**Agreement**") between **Excicure, Inc.**, a Delaware corporation (the "**Company**"), and **Joshua Miller** ("**Executive**") (each of Executive and the Company, a "**Party**," and collectively, the "**Parties**"), is entered into as of May 9, 2023.

Whereas, Executive and the Company are parties to that certain Employment Agreement, dated June 9, 2022 ("**Prior Agreement**");

Whereas, the Company desires to employ Executive as its Chief Accounting Officer and Executive desires to accept such employment and to perform duties to the Company on the terms and conditions hereinafter set forth in this Agreement; and

Whereas, the Parties wish to amend and restate the terms of the Prior Agreement as set forth in this Agreement.

Now, Therefore, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the Parties hereto agree as follows:

1. Employment. Executive's employment under this Agreement shall commence on May 5, 2023 (the "**Effective Date**") and shall continue until the termination of Executive's at-will employment under this Agreement. The period from the Effective Date until the termination of Executive's at-will employment under this Agreement is referred to as the "**Employment Period**."

2. Position and Duties. Subject to the terms and conditions of this Agreement, Executive shall serve as the Chief Accounting Officer of the Company and shall have the duties, responsibilities and authority of an executive serving in such position, and such other duties as may be assigned and/or prescribed from time to time by the Company's Chief Executive Officer and/or the Company's Board of Directors. Executive shall report to the Chief Executive Officer. Executive's assigned work office shall be Chicago, Illinois, and he will be expected to engage in business travel from time to time, as agreed upon with the Chief Executive Officer. Executive shall devote Executive's full business time and efforts to the business and affairs of the Company and its subsidiaries. Executive shall not become a director of any for-profit entity without first receiving the written approval of the Board.

3. Compensation and Benefits.

(a) **Base Salary.** As compensation for Executive's performance of Executive's duties hereunder, Executive shall receive a base salary at the rate of two hundred fifteen thousand dollars (\$215,000) per year (the "**Base Salary**"), subject to standard payroll deductions and withholdings and payable in accordance with the Company's regular

withholdings and payable in accordance with the Company's regular payroll schedule. The Base Salary shall be reviewed for adjustments by the Compensation Committee of the Board (the "**Compensation Committee**") in good faith, based upon Executive's performance and the Company's pay philosophy, not less often than annually, provided, that Executive's Base Salary may be decreased as part of an across-the-board reduction in base salaries of all Company executive officers so long as the percentage reduction in Executive's Base Salary is not greater than the percentage reduction applicable to other executive officers. The term "**Base Salary**" shall refer to the Base Salary as may be in effect from time to time.

(b) Annual Incentive Compensation. Executive shall be eligible to participate in the annual cash bonus program maintained for executive officers of the Company (the "**Annual Incentive Program**"). Executive's minimum target annual bonus shall be equal to 40% of Base Salary for each full year during the Employment Period in which Executive participates in the Annual Incentive Program. The actual amount of the annual bonus earned by and payable to Executive in any year shall be determined upon the satisfaction of goals and objectives established by the Compensation Committee and communicated to Executive, and shall be subject to such other terms and conditions of the Annual Incentive Program as in effect from time to time. Each bonus paid under the Annual Incentive Program shall be paid to Executive no later than March 15th of the calendar year following the calendar year in which the bonus is earned.

(c) RESERVED

(d) Other Benefits.

(i) Savings and Retirement Plans. Except as otherwise limited by applicable law, Executive shall be entitled to participate in all qualified and non-qualified savings and retirement plans applicable generally to other senior executive officers of the Company, in accordance with the terms of the plans, as may be amended from time to time.

(ii) Welfare Benefit Plans. Except as otherwise limited by applicable law, Executive and/or Executive's eligible dependents shall be eligible to participate in and shall receive all benefits under the Company's welfare benefit plans and programs applicable generally to other senior executive officers of the Company, in accordance with the terms of the plans, as may be amended from time to time.

(iii) Perquisites. Except as otherwise limited by applicable law, Executive shall be entitled to such perquisites as may be available generally from time to time to other senior executive officers of the Company, but at levels commensurate with executive's position as Vice President, Corporate Development.

(iv) Business Expenses. Subject to Section 14, Executive shall be reimbursed for reasonable travel and other expenses incurred in the performance of Executive's duties on behalf of the Company in a manner consistent with the Company's policies regarding such reimbursements, as may be in effect from time to time.

4. Termination of Employment.

(a) Executive's employment under this Agreement shall terminate upon the earliest to occur of: (i) Termination due to Disability (as defined below); (ii) termination of Executive's employment by the Company for Cause; (iii) termination of Executive's employment by the Company for any reason other than Cause or Termination due to Disability; (iv) Executive's death; (v) termination of Executive's employment by Executive for Good Reason or (vi) termination of Executive's employment by Executive for any reason other than Good Reason. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions with the Company or any of its affiliates held by Executive as of the date immediately preceding Executive's termination of employment.

(b) If Executive's employment ends for any reason, except as otherwise contemplated in this Section 4, Executive shall cease to have any rights to salary, bonus (if any) or other benefits, other than (i) the earned but unpaid portion of Executive's Base Salary through the date of termination or resignation, (ii) any unpaid expense or other reimbursements due to Executive (provided that such expenses and required substantiation and documentation thereof are

submitted within thirty (30) days following termination and that such expenses are reimbursable under Company policy), and (iii) any other amounts or benefits required to be paid or provided by law or under any plan, program, policy or practice of the Company, provided that Executive shall not be entitled to any payment or benefit under any severance plan maintained by the Company.

(c) Termination without Cause or for Good Reason. In the event that Executive's employment is terminated by the Company without Cause, or by Executive for Good Reason (as both terms are defined below), then, in addition to the payments and benefits described in Section 5(b) above and subject to (i) Executive's satisfaction of the Release Condition (as defined below) and (ii) Executive's continuing compliance with the Confidential Information Agreement (as defined below), Executive shall receive the following separation benefits:

(i) a severance payment in the amount of (4) months' Base Salary, at the rate as in effect immediately prior to Executive's termination of employment hereunder, payable in a lump sum within 60 days following the separation date, less applicable withholdings and deductions;

(ii) a cash bonus for the year of termination, payable at the same time as annual cash bonuses are paid to senior management (but in no event later than March 15 of the calendar year following the calendar year in which the Separation Date occurs), based on actual achievement of performance targets (as if Executive had remained employed through the end of the applicable performance period), subject, however, to proration based on the number of days in the applicable performance period that had elapsed through the Separation Date; and

(iii) The Company shall pay a lump sum amount to assist Executive with the cost of monthly COBRA premiums or to otherwise contribute to the cost of post-employment health insurance coverage. This amount shall be equivalent to four (4) months of the

Company's contribution to health insurance, as per the plan (and rates) that Executive participated in immediately prior to termination, and is payable within 60 days following the separation date, less applicable withholdings and deductions.

(d) Termination without Cause or for Good Reason in Connection with a Change in Control. If Executive's employment hereunder shall be terminated by the Company without Cause, or by Executive for Good Reason, in either case on or within 12 months following the closing date of a Change in Control, then, in addition to the payments and benefits described in Section 4(b), and in lieu of the payments and benefits described in Section 4(c), and subject to Executive's satisfaction of the Release Condition and Executive's continuing compliance with the Confidential Information Agreement:

(i) The Company shall pay Executive a severance payment in the amount equal to the sum of (x) nine (9) months of Executive's annual Base Salary, at the rate as in effect immediately prior to Executive's termination of employment hereunder, plus (y) Executive's annual target bonus as set forth in Section 3(b) for the year in which the termination of employment occurs, such severance payment to be payable in a lump sum within 60 days following the separation date, less applicable withholdings and deductions;

(ii) All equity awards, to the extent outstanding as of immediately prior to such termination, will be (or will be deemed to have been) fully vested and exercisable as of the date of termination (with any performance conditions for open performance periods deemed satisfied at target);

(iii) The Company shall pay a lump sum amount to assist Executive with the cost of monthly COBRA premiums or to otherwise contribute to the cost of post-employment health insurance coverage. This amount shall be equivalent to nine (9) months of the Company's contribution to health insurance, as per the plan (and rates) that Executive participated in immediately prior to termination and is payable within 60 days following the separation date, less applicable withholdings and deductions.

(e) Section 280G. Notwithstanding anything to the contrary in this Agreement, Executive expressly agrees that if the payments and benefits provided for in this Agreement or any other payments and benefits which Executive has the right to receive from the Company and its affiliates (collectively, the "**Payments**"), would constitute a "**parachute payment**" (as defined in Section 280G(b)(2) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (the "**Code**")), then the Payments shall be either (a) reduced (but not below zero) so that the present value of the Payments will be one dollar (\$1.00) less than three times Executive's "**base amount**" (as defined in Section 280G(b)(3) of the Code) and so that no portion of the Payments received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive. The reduction of Payments, if any, shall be made by reducing first any Payments that are exempt from Section 409A (as defined below) and then reducing any Payments subject to Section 409A in the reverse order in which such

Payments subject to Section 4(c) in the reverse order in which such Payments would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time). The determination as to whether any such reduction in the Payments is necessary shall be made by the Compensation Committee in good faith. If a reduced Payment is made or provided and, through error or otherwise, that Payment, when aggregated with other payments and benefits from Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company.

(f) General Release. Executive's execution, delivery and nonrevocation of a complete and general release of any and all of Executive's potential claims (other than for benefits and payments described in this Agreement or any other vested benefits with the Company and/or its affiliates) against the Company, any of its affiliated companies, and their respective successors and any officers, employees, agents, directors, owners, shareholders, attorneys, insurers, underwriters, and assigns of the Company or its affiliates and/or successors (in such form as may be prepared by the Company), within fifty-five (55) days following Executive's termination of employment, is an express condition of Executive's right to receive the payments and benefits set forth in Section 4(c) and Section 4(d), as applicable (the "**Release Condition**").

(g) Certain Definitions.

"**Cause**" shall mean the occurrence of any one of the following:

(i) gross negligence or willful misconduct in the performance of, or Executive's abuse of alcohol or drugs rendering Executive unable to perform the material duties and services required for Executive's position with the Company;

(ii) Executive's conviction or plea of nolo contendere for any crime involving moral turpitude or a felony;

(iii) Executive's commission of an act of deceit or fraud intended to result in personal and unauthorized enrichment of Executive at the expense of the Company or any of its affiliates; or

(iv) Executive's material violation of the written policies of the Company or any of its affiliates (including, without limitation, ethics and compliance policies), as in effect from time to time, Executive's material breach of a material obligation of Executive to the Company pursuant to Executive's duties and obligations under the Company's Bylaws, or Executive's material breach of a material obligation of Executive to the Company or any of its affiliates pursuant to this Agreement, the Confidential Information Agreement or any award or other agreement between Executive and the Company or any of its affiliates.

"**Change in Control**" shall be deemed to have occurred upon the occurrence of any of the following events:

(i) The acquisition, other than from the Company, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the

“**Exchange Act**”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding shares of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, but excluding, for this purpose, any such acquisition by the Company or any of its subsidiaries, or any employee benefit plan (or related trust) of the Company or its subsidiaries, or any corporation with respect to which, following such acquisition, more than 50% of, respectively, the then outstanding shares of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of all or substantially all directors is then beneficially owned, directly or indirectly, by the individuals and entities who were the beneficial owners, respectively, of shares and voting securities of the Company immediately prior to such acquisition in substantially the same proportion as their ownership, immediately prior to such acquisition, of the then outstanding shares of the Company or the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be;

(ii) The consummation of a reorganization, merger or consolidation of the Company, in each case, with respect to which all or substantially all of the individuals and entities who were the respective beneficial owners of shares and voting securities of the Company immediately prior to such reorganization, merger or consolidation do not, following such reorganization, merger or consolidation, beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger or consolidation;

(iii) During any twenty-four (24) month period, individuals who, as of the beginning of such period, constitute the Board (the “**Incumbent Directors**”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest, including a consent solicitation, with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director; or

(iv) a complete liquidation or dissolution of the Company or of the sale or other disposition of all or substantially all of the assets of the Company.

In no event shall a Change in Control include the initial public offering of the Company registered on Form S-1 (or any successor form under the Securities Act of 1933, as amended) (the “**Initial Public Offering**”) or any bona fide primary or secondary public offering following

the occurrence of the Initial Public Offering.

“Good Reason” shall mean the existence of any of the following:

(i) a material diminution in Executive's authority, duties, or responsibilities from those applicable to Executive as of the Effective Date;

(ii) a material diminution in Executive's annual Base Salary, except to the extent contemplated by Section 3(b) of this Agreement;

(iii) a relocation of Executive's principal place of employment by more than 50 miles from the location where Executive was assigned to work immediately prior to such relocation, which for purposes of this Agreement shall mean the Company requiring Executive to be permanently based in a location that is more than 50 miles from either (A) Executive's assigned Company office if such office is assigned, or (B) if Executive is assigned to work remotely, from the approved remote work location; or

(iv) a material breach by the Company of any provision of this Agreement.

Notwithstanding the foregoing or any other provision in this Agreement to the contrary, any assertion by Executive of a Good Reason termination shall not be effective unless all of the following conditions are satisfied:

(i) the conditions described in the preceding sentence giving rise to Executive's termination of employment must have arisen without Executive's written consent;

(ii) Executive must provide written notice to the Company of such condition and Executive's intent to terminate employment within 45 days after the initial existence of the condition;

(iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and

(iv) the date of Executive's termination of employment must occur within 90 days after the notice provided by Executive pursuant to clause (ii).

“Termination due to Disability” shall mean the termination of Executive's employment by the Company as a result of Executive becoming incapacitated for a period of at least 120 days by accident, sickness or other circumstance that renders Executive mentally or physically incapable of performing Executive's material duties hereunder.

5. Confidential Information and Inventions Assignment Obligations. Executive acknowledges that he previously executed, as a condition of employment, the Confidentiality, Non-Hire, Non-Disparagement, and Work Product Agreement attached as Exhibit A (which may be amended by the parties from time to time without regard to this Agreement) (**“Confidential Information Agreement”**), and Executive agrees to continue to abide by the terms of the Confidential Information Agreement. The Confidential Information Agreement contains provisions that are intended by the parties to survive and do survive termination of

this Agreement.

6. Survival. Sections 5 through 16 hereof shall survive and continue in full force and effect in accordance with their respective terms, notwithstanding any termination of the Employment Period.

7. Notices. Any notice provided for in this Agreement shall be in writing and shall be delivered (i) personally, (ii) by certified mail, postage prepaid, (iii) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (iv) by facsimile or a PDF or similar attachment to an email. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):

If to the Company:

Exicure, Inc.
2430 N. Halsted St.
Chicago, Illinois 60614
Attn: Chief Executive Officer

If to Executive:

Joshua Miller
At the most recent address on file with the
Company.

8. Entire Agreement. This Agreement, including the Confidential Information Agreement, constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof, including, without limitation, the Prior Agreement.

9. No Conflict. Executive represents and warrants that Executive is not bound by any employment contract, restrictive covenant, or other restriction preventing Executive from carrying out Executive's responsibilities for the Company, or which is in any way inconsistent with the terms of this Agreement. Executive further represents and warrants that Executive shall not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

10. Successors and Assigns. This Agreement shall inure to the benefit of and be enforceable by Executive and Executive's heirs, executors and personal representatives, and the Company and its successors and assigns. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor that assumes and agrees to perform this Agreement by operation of law or otherwise. The Company may assign its rights and obligations under this Agreement without the consent of Executive in the event that the Company shall hereafter affect a reorganization, consolidate with, or merge into, any person or entity or transfer all or substantially all of its properties or assets to any person or entity.

11. Governing Law. This Agreement shall be governed by the internal laws (as opposed to the conflicts of law provisions) of the State of Illinois.

12. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity,

binding effect or enforceability of this Agreement. The waiver by either party of any breach of this Agreement shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

13. Withholding. All payments and benefits under this Agreement are subject to withholding of all applicable taxes.

14. Code Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code, and the Treasury Regulations promulgated thereunder (and such other Treasury or Internal Revenue Service guidance) as in effect from time to time ("**Section 409A**"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and for such purposes. Each payment to Executive under this Agreement shall be considered a separate payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A ("**409A Penalties**"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "**termination of employment**" such term and similar terms shall be deemed to refer to Executive's "**separation from service**," within the meaning of Section 409A. In no event may Executive, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (i) each such payment which is conditioned upon Executive's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A) as of the date of Executive's separation from service, each such payment that is payable upon Executive's separation from service and would have been paid prior to the six-month anniversary of Executive's separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive's separation from service or (B) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by Company under any applicable expense reimbursement policy, and shall be paid to Executive within 30 days following receipt of such expense reports, but in no event later than the last day of the calendar year

following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit.

15. Clawbacks. The payments to Executive pursuant to this Agreement are subject to forfeiture or recovery by the Company or other action pursuant to any clawback or recoupment policy which the Company may adopt from time to time, including, without limitation, any such policy or provision that the Company has included in any of its existing compensation programs or plans or that it may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.

16. Company Policies. Executive shall be subject to additional Company policies as they may exist from time-to-time, including, but not limited to, the Confidential Information Agreement, the Company's Code of Business Conduct and Ethics, Security Trading Policy

(pursuant to which Executive may be determined by the Chief Executive Officer of the Company to be a Restricted Person), and other applicable policies with regard to stock ownership by senior executives and/or regarding trading of securities.

[Signature Page to Follow]

In Witness Whereof, the parties hereto have executed this Agreement as of the date first written above.

Exicure, Inc.

By: /s/
Sarah
Longoria
Name:
Sarah
Longoria
Title: Chief
HR &
Compliance
Officer
Date: May
24, 2023

/s/ Joshua

Attorney

Miller
Joshua
Miller

EXHIBIT AB

Confidentiality, Non-Hire, Non-Disparagement, and Work Product
Agreement

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Exhibit 10.8

May 5, 2023

Joshua Miller

Re: Retention Agreement

Dear Josh:

Thank you for all of your contributions to Exicure, Inc. (the "**Company**"). Your role is key to our success and we are excited to offer you the retention award described below pursuant to the terms and conditions set forth in this agreement (this "**Retention Agreement**"). This Retention Agreement will be effective as of May 5, 2023, provided that you have executed and returned it to the Company on or before such date.

We are thrilled to award you a one-time cash retention award in the amount of \$80,000, less applicable payroll withholdings and deductions (the "**Retention Award**"). In order to earn the Retention Award, you must remain employed by the Company in good standing through May 5, 2024 (the "**Retention Period**"). If you remain employed by the Company in good standing through January 1, 2024, fifty percent (50%) of the Retention Award will be paid to you on January 1, 2024 or the next regularly scheduled payroll date thereafter (the "**First Portion**"), subject to the following paragraph. The remaining fifty percent (50%) of the Retention Award will be paid to you on the next regularly scheduled payroll date after the Retention Period, provided that you remain employed by the Company in good standing through the end of the Retention Period.

If your employment terminates for Cause (as defined herein) or upon your voluntary resignation, in either case, prior to completion of the Retention Period but after receipt of the First Portion, you will be required to repay the First Portion ((on a pre-tax basis)) to the Company prior to your separation from the Company. In such event, you acknowledge and agree that the Company may deduct, to the extent permitted by applicable law, the First Portion from any payments the Company otherwise owes you, including but not limited to any salary, bonus and expense reimbursements. The remaining portion of the unearned Retention Award will be forfeited without payment immediately upon such termination, and you acknowledge and agree that such forfeited portion shall not reduce or offset your obligation to repay the First Portion to the Company. If your employment is terminated without cause or for good reason, your retention

award will vest and be paid to you upon your separation and execution of a General Release.

For purposes of this Retention Agreement, “**Cause**” shall mean the occurrence of any one of the following: (i) gross negligence or willful misconduct in the performance of your duties, or your abuse of alcohol or drugs rendering you unable to perform the material duties and services required for your position with the Company; (ii) your conviction or plea of nolo contendere for any crime involving moral turpitude or a felony; (iii) your commission of an act of deceit or fraud intended to result in your personal and unauthorized enrichment at the expense of the Company or any of its affiliates; (iv) your material violation of the written policies of the Company or any of its affiliates (including ethics and compliance policies, as in effect from time to time); or (v) your material breach of a material obligation to the Company pursuant to your duties and obligations under your offer letter or employment agreement, as applicable, or other agreement between you and the Company.

It is intended that the payments under this Retention Agreement satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Internal Revenue Code of 1986, as amended and the regulations and other guidance thereunder and any state law of similar effect (collectively “**Section 409A**”), including the exemption provided under Treasury Regulation Section 1.409A-1(b)(4), and this Retention Agreement will be construed to the

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greatest extent possible as consistent with such exemptions. To the extent not so exempt, this Retention Agreement (and any terms herein) will be construed in a manner that complies with Section 409A, and incorporates by reference all required definitions and payment terms. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Retention Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment.

This Retention Agreement is intended to provide a financial incentive to you and is not intended to confer any rights to continued employment upon you. Nothing in this Retention Agreement is intended to alter your at-will employment relationship, and all other provisions of your offer letter or employment agreement, as applicable, remain in full force and effect.

All questions concerning the construction, validity and interpretation of this Retention Agreement will be governed by the law of the State of Illinois. You submit to the jurisdiction of the state and federal courts encompassing the location of the Company's then-principal office for the resolution of any disputes or claims under this Retention Agreement.

This Retention Agreement is the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to the payments and benefits provided for herein, and it supersedes and

replaces any other agreements (whether written or unwritten) you may have with the Company concerning these matters. The terms of this Retention Agreement may not be modified or amended except in a written agreement signed by you and a duly authorized officer of the Company.

Sincerely,

Exicure, Inc.

/s/ Sarah Longoria

Sarah M. Longoria

Chief Human Resources & Compliance Officer

Accepted and Agreed:

/s/ Joshua

Miller Date: 5/24/23

Joshua Miller

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Exhibit 10.9

FIRST AMENDMENT TO THE SEPARATION & RELEASE AGREEMENT OF MATTHIAS SCHROFF

This First Amendment To The Separation & Release Agreement Of Matthias Schroff (the "Amendment") is effective as of the 12th day of June, 2023 (the "Effective Date"), by and between Matthias Schroff (the former "Executive") and EXICURE, INC. (the "Company") (each of the former Executive and the Company, a "Party," and collectively, the "Parties").

RECITALS

WHEREAS, the Company and the Executive have entered into that certain Separation & Release Agreement effective April 26, 2023 (the "S&R Agreement");

WHEREAS, the Company and former Executive amended the Executive Agreement pursuant to that certain First Amendment to the S&R Agreement on June 12, 2023 (the "First Amendment"); and

WHEREAS, the Company and the former Executive wish to amend the S&R Agreement and the First Amendment as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Amendments to Section 3.

- a. Section 3(c) of the S&R Agreement is hereby amended and restated in its entirety as follows:

Additional Payment. On June 12, 2023, grant You an additional number of shares of the common stock of the Company at the closing price on the date of such grant with a gross value equal to Three Hundred and One Thousand Nine Hundred Twelve Dollars and Thirty-Nine Cents (\$301,912.39) (the "Additional Shares Payment"), less shares to cover income tax that will be paid by the company; and

- b. Section 3(d) of the S&R Agreement is hereby amended and restated in its entirety as follows:

"Accelerated Vesting. On June 12, 2023 (the "Acceleration Date"), accelerate the vesting of all Your outstanding equity awards such that those awards become fully vested and exercisable as of the Acceleration Date, subject to and in accordance with the terms and conditions of the applicable award agreement governing each award, and the Company's 2015 and 2017 Equity Incentive Plan, (the above-referenced items collectively, the "Separation Benefits"). Because You are no longer employed, Your rights to any particular employee benefit shall be governed by applicable law and the terms and provisions of the Company's various employee benefit plans and arrangements. You acknowledge that the Effective Date shall be the date used in determining benefits under all Company employee benefit plans. The Company's obligation to provide You with the Separation Benefits above shall terminate immediately upon any breach by You of this Agreement or any post-termination obligations to which You are subject.

-
2. The former Executive reaffirms, acknowledges and agrees to continue to comply with all other aspects of the Separation & Release Agreement, including the Release, the No Admission of Liability, Confidentiality, Non-Hire, Non-Disparagement, and Prohibited Post-Employment Activities.

3. The former Executive confirms that he has read this Amendment, understands the terms thereof and has had sufficient opportunity to obtain independent legal advice.

4. Except as modified or amended in this Amendment, no other term or provision of the S&R Agreement or First Amendment is amended or modified in any respect. The S&R Agreement, and its exhibits, along with this Amendment, set forth the entire understanding between the Parties

with regard to the subject matter hereof and supersedes any prior oral discussions or written communications and agreements. This Amendment cannot be modified or amended except in writing signed by the former Executive and an authorized officer of the Company.

The Parties have executed this FIRST AMENDMENT TO THE SEPARATION & RELEASE AGREEMENT OF MATTHIAS SCHROFF on the day and year written above.

EXICURE, INC.

/s/Jung Sang Kim
Jung Sang (Michael) Kim
Chief Executive Officer

JOB DUTIES

FORMER EXECUTIVE

• /s/ Matthias Schrott Driving the Company's financial planning

Matthias Schrott• Performing risk management by analyzing the Company's liabilities and investments

- Deciding on investment strategies by considering cash and liquidity risks
- Evaluating the Company's capital raising plans and capital structure
- Ensuring cash flow is appropriate for the Company's expenses
- Reporting regular reports on the status of the Company's restructuring efforts to the board of directors and the Chief Executive Officer
- Ensuring the Company's compliance with all applicable laws, rules, regulations and standards

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Exhibit 31.1

CERTIFICATIONS

I, Jung Sang Kim, David Kang, certify that:

I, ~~Jung Sang Kim~~, ~~Paul Kang~~, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exicure, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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 designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(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 reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: ~~August 11, 2023~~ May 16, 2024

/s/ ~~Jung Sang Kim~~ ~~Paul Kang~~

~~Jung Sang Kim~~ ~~Paul Kang~~

Chief Executive Officer ~~Chief Financial Officer and President~~

(Principal Executive ~~Officer~~ ~~Officer~~)

Exhibit 31.2

CERTIFICATIONS

I, Jiyoung Hwang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Exicure, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(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 designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(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 reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 16, 2024

/s/ Jiyoung Hwang

Jiyoung Hwang

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

SECTION 1350 CERTIFICATIONS*

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. § 1350), **Jung Sang Kim, President, Paul Kang**, Chief Executive Officer and Chief Financial Officer of Exicure, Inc. (the "Company"), and **Jiyoung Hwang**, Chief Financial Officer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended **June 30, 2023** **September 30, 2023**, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **August 11, 2023** **May 16, 2024**

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the **11 16th** day of **August, 2023**. **May, 2024**.

/s/ **Jung Sang Kim Paul Kang**

Jung Sang Kim Paul Kang

President, Chief Executive
Officer and Chief Financial
Officer

(Principal Executive Officer
and Principal Financial
Officer)

/s/ **Jiyoung Hwang**

Jiyoung Hwang

Chief Financial Officer

(Principal Financial Officer)

* This certification accompanies the Quarterly Report on Form 10-Q, to which it relates is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Exicure, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.

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