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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended: December 31 , 2023

or

o **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: 001-40551

Acumen Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**36-4108129**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
427 Park St.	
Charlottesville , VA	**22902**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (434) 297-1000

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, $0.0001 par value per share	ABOS	The Nasdaq Global Select Market

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.o Yes x No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.o Yes x No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes o 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). x Yes o 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	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	x
Emerging growth company	x		

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. o

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

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

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

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

The aggregate market value of the common stock of the registrant held by non-affiliates of the registrant as of June 30, 2023, the last business day of the registrant's second fiscal quarter, was $ 134.2 million.

The number of the registrant's shares of common stock outstanding as of March 20, 2024 was60,079,778 .

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2024 annual meeting of the shareholders, or the 2024 Proxy Statement, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2024 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report on Form 10-K including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- the sufficiency of our existing cash and cash equivalents and marketable securities to fund our future operating expenses and capital expenditure requirements;
- our ability to obtain funding for our operations, including funding necessary to develop and commercialize sabirnetug, subject to obtaining necessary regulatory approvals;
- the ability of our clinical trials to demonstrate the safety and efficacy of sabirnetug, and other positive results;
- the therapeutic potential of sabirnetug, including its potential for improved safety and efficacy as compared to other monoclonal antibodies approved and or in development, as well as the expectations concerning the INTERCEPT-AD and ALTITUDE-AD clinical trials;
- the success, cost and timing of our development activities, nonclinical studies and clinical trials;
- the structure, timing and focus of our future clinical trials, and the reporting of data from those trials, including our plans to amend the ALTITUDE-AD protocol to change the current Phase 2/3 study to a Phase 2 standalone study, and our plans with respect to the initiation of our planned Phase 2 clinical trial of sabirnetug;
- our plans relating to commercializing sabirnetug, subject to obtaining necessary regulatory approvals;
- our ability to attract and retain key scientific and clinical personnel;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- our reliance on third parties to conduct clinical trials of sabirnetug, and for the manufacture of sabirnetug for nonclinical studies and clinical trials;
- the success of competing therapies that are or may become available;
- our plans and ability to obtain or protect our intellectual property rights, including extensions of existing patent terms where available or the use of data market exclusivity to provide protection from generic or biosimilar versions of our product;
- the scope of protection we are able to establish and maintain for intellectual property rights covering sabirnetug and technology;
- potential claims relating to our intellectual property;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our ability to obtain and maintain regulatory approval of sabirnetug, and any related restrictions, limitations and/or warnings in the label of any approved product candidate;
- our plans relating to the further development and manufacturing of sabirnetug, including additional therapeutic indications we may pursue;
- our ability to develop and maintain our corporate infrastructure, including our ability to design and maintain an effective system of internal controls;
- our financial performance; and
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”).

You should not rely on forward-looking statements as predictions of future events. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described under the header “Risk

Factors” and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained herein. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made, and we undertake no obligation to update them to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law.

Unless the context otherwise indicates, references in this report to the terms “Acumen,” “the Company,” “we,” “our” and “us” refer to Acumen Pharmaceuticals, Inc.

We may announce material business and financial information to our investors using our investor relations website (www.investors.acumenpharm.com). We therefore encourage investors and others interested in Acumen to review the information that we make available on our website, in addition to following our filings with the Securities and Exchange Commission, or SEC, webcasts, press releases and conference calls. Our website and information included in or linked to our website are not part of this Annual Report on Form 10-K.

RISK FACTORS SUMMARY

Our business is subject to a number of risks of which you should be aware before making a decision to invest in our common stock. These risks are more fully described in "Part I, Item 1A. Risk Factors" of this Annual Report on Form 10-K, including the following:

- We are a clinical-stage biopharmaceutical company with a limited operating history.
- We have no product candidates approved for commercial sale, we have never generated any revenue from product sales and we may never be profitable.
- We will require substantial additional funding to finance our operations, complete the development and commercialization of sabirnetug for Alzheimer's disease, or AD, and evaluate future product candidates. If we are unable to raise this funding when needed, we may be forced to delay, reduce or eliminate our drug development programs or other operations.
- We are substantially dependent on the success of sabirnetug, our sole product candidate, which will require significant clinical testing before we can seek regulatory approval and potentially launch commercial sales, and which may not be successful in clinical trials, receive regulatory approval or be successfully commercialized, even if approved.
- We have concentrated our research and development efforts on the treatment of AD, a field that has to date seen very limited success in drug development.
- Our approach to the potential treatment of AD is based on a novel therapeutic approach, which exposes us to unforeseen risks.
- Nonclinical and clinical drug development involves a lengthy, expensive and uncertain process. The results of nonclinical studies and early clinical trials are not always predictive of future results. Sabirnetug or any other product candidate that we advance into clinical trials may not achieve favorable results in later clinical trials, if any, or receive marketing approval.
- Clinical failure can occur at any stage of clinical development and we have never submitted a biologics license application, or BLA, or marketing authorization application, or MAA.
- We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.
- We currently rely on contract manufacturing organizations, or CMOs, to supply components of and manufacture sabirnetug. The loss of any of these CMOs or the failure of any of them to meet their obligations to us could affect our ability to develop sabirnetug in a timely manner.
- We intend to rely on contract research organizations, or CROs, and other third parties to conduct, supervise and monitor a significant portion of our research and nonclinical testing and clinical trials for sabirnetug and any future product candidates, and if those third parties do not successfully carry out their contractual duties, comply with regulatory requirements or otherwise perform satisfactorily, we may not be able to obtain regulatory approval or commercialize our product candidates, or such approval or commercialization may be delayed, and our business may be substantially harmed.
- We face significant competition in an environment of rapid technological and scientific change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer or more effective than ours.
- If we are unable to enter into a commercial collaboration or, alternatively, establish internal sales, marketing and distribution capabilities for sabirnetug or any other product candidate that may receive regulatory approval, we may not be successful in commercializing those product candidates if and when they are approved.
- If we are unable to obtain and maintain sufficient intellectual property protection for sabirnetug and any future product candidate, and other proprietary technologies we develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidate, and other proprietary technologies if approved, may be adversely affected.

PART I

Item 1. Business.

Overview

We are a clinical-stage biopharmaceutical company developing a novel disease-modifying approach to target what we believe to be a key underlying cause of Alzheimer's disease, or AD. Alzheimer's disease is a progressive neurodegenerative disease of the brain that leads to loss of memory and cognitive functions and ultimately results in death. Alzheimer's disease currently affects over 6 million people in the United States and approximately 32 million people worldwide and is the sixth-leading cause of death in the United States. However, due to the aging population, patient populations in the United States impacted by AD are expected to grow to approximately 13 million people by 2050 without effective preventative measures or safe and effective disease-modifying treatments. By 2050, healthcare costs for AD in the United States alone are estimated to exceed $1 trillion.

Our scientific founders pioneered research on soluble amyloid-beta oligomers, or AßOs, which are globular assemblies of the amyloid-beta, or Aß, peptide that are distinct from Aß monomers and amyloid plaques. Based on decades of research and supporting evidence, AßOs have gained increasing scientific acceptance as a primary toxin involved in the initiation and propagation of AD pathology. We are currently focused on advancing a targeted immunotherapy drug candidate, sabirnetug* (ACU193), in clinical development following Phase 1 results in "early AD" patients (patients with mild cognitive impairment or mild dementia due to Alzheimer's pathology) that were reported in July 2023. Sabirnetug is a recombinant humanized immunoglobulin gamma 2, or IgG2, monoclonal antibody, or mAb, that was designed to selectively target AßOs, has demonstrated functional and protective effects in in vitro assays, and has demonstrated in vivo safety and pharmacologic activity in multiple animal species, including transgenic mouse models for AD.

Sabirnetug is the result of over a decade of research and development undertaken by the company, which included a drug discovery partnership with Merck & Co., Inc., or Merck, from 2003 to 2011. Sabirnetug's mechanism of action is intended to slow disease progression and potentially preserve or improve memory function in early AD patients by binding to AßOs and neutralizing their toxicity. AßOs have been shown to bind to neurons, contributing to synaptic malfunction, memory deficits, cognitive impairment and, ultimately, neurodegeneration and cell death. As such, we believe AßOs are the most toxic and pathogenic form of Aß in the brains of AD patients relative to other forms of amyloid, including Aß monomers and amyloid plaques. We believe the development and commercialization of a drug that reduces toxicity of AßOs is one of the most promising approaches for the potential treatment and prevention of the progression of AD. The target population for sabirnetug and other monoclonal antibodies approved and in development is what is now being called "early AD." This population includes people with a clinical diagnosis of mild cognitive impairment, or MCI, or mild dementia due to AD who are also amyloid positive based on either imaging studies or cerebrospinal fluid biochemical analyses. The term "mild cognitive impairment or mild dementia due to AD" has also been used and is accepted by regulators as inclusion/exclusion criteria in clinical trials. While epidemiologic studies of this population are evolving, approximately 4-5 million people in the United States are likely to have early AD who also exhibit amyloid pathology associated with AD.

In our nonclinical studies, we observed that sabirnetug has over 500-fold greater selectivity for targeting AßOs over Aß monomers and 87-fold selectivity for targeting AßOs over Aß fibrils. In immunohistochemical studies of human AD brain tissue, sabirnetug appears to have limited or no binding to amyloid plaques. Sabirnetug has also demonstrated in vivo biochemical and behavioral activity in several AD mouse models, and safety toxicology studies in rats and monkeys provide acceptable margins for acute and chronic dosing in the clinic.

We completed a Phase 1 clinical trial of sabirnetug in the second quarter of 2023, which we named "INTERCEPT-AD." This trial enrolled 65 participants with early AD, and 62 participants received at least one dose of study drug. INTERCEPT-AD was a U.S.-based, multi-center, randomized, double-blind, placebo-controlled clinical trial with overlapping single ascending dose, or SAD, and multiple ascending dose, or MAD, cohorts evaluating patients with early AD. The overall objective of the trial was to evaluate the safety and tolerability of sabirnetug administered intravenously, or IV, and to establish clinical proof of mechanism of sabirnetug. The primary trial endpoints were focused on safety and immunogenicity. An important safety measure was the use of magnetic resonance imaging, or MRI, to assess the presence or absence of amyloid-related imaging abnormalities, or ARIA. Secondary endpoints included pharmacokinetics in plasma and cerebrospinal fluid, or CSF, and target engagement as evidenced by detection of sabirnetug bound to AßOs in CSF. Clinical scales typically used in AD trials as well as computerized cognitive testing and arterial spin labelling with MRI scans (which can be used to assess cerebral blood flow) were included as exploratory measures.

In July 2023, we announced topline results from INTERCEPT-AD, which demonstrated that sabirnetug met the primary and secondary objectives of this study in 62 participants with early AD. Sabirnetug was well-tolerated throughout the SAD and MAD dose cohorts, with an overall rate of ARIA-E of 10.4%. The incidence of ARIA-E was dose dependent, with a rate of 7% for patients given 10 mg/kg or 25 mg/kg and 21% for patients given 60 mg/kg. An analysis of change in amyloid plaque load, as measured by positron emission tomography,or PET, Centiloids, demonstrated a rapid, dose-related mean decrease at the higher dose levels studied. Statistically significant, dose-related central target engagement was observed as measured by sabirnetug-AßO complex, establishing the first target engagement assay developed that is specific to an AßO-targeting antibody. This assay also demonstrated near maximal target engagement for patients receiving 25 mg/kg every two weeks or 60 mg/kg every four weeks, an important finding for dose selection in the upcoming Phase 2 study. A number of downstream biomarkers in cerebrospinal fluid, or CSF, specific to amyloid and tau pathology and synaptic injury showed improvement in the MAD cohorts, further supporting a drug effect of sabirnetug on Alzheimer's pathology. These included effects of sabirnetug on p-tau181, which reflects damage to neurons and is known to be elevated in CSF of patients with AD, and effects of sabirnetug on neurogranin and VAMP2, which reflect damage to neuronal synapsis and are elevated in CSF of patients with AD.

We expect to initiate a Phase 2 clinical trial of sabirnetug, called ALTITUDE-AD, in the first half of 2024. ALTITUDE-AD is a randomized, double-blind, placebo-controlled, three arm study designed to evaluate the clinical efficacy, safety and tolerability of sabirnetug, with up to 180 participants per arm for a total of up to 540 participants with MCI or mild dementia due to AD. We intend to use the Integrated Alzheimer's Disease Rating Scale, or iADRS at 18 months as the primary outcome measure. Our planned doses for ALTITUDE-AD are 35 mg/kg and 50 mg/kg both dosed every four weeks, or Q4W. These dose levels and frequency were selected based on extensive pharmacokinetic, or PK, and pharmacodynamic, or PD, modeling of our Phase 1 data. Based on regulatory feedback from the European Medicines Agency, or EMA, and to enhance the probability that the EMA will consider our Phase 2 study a registration-eligible study for sabirnetug, we anticipate amending the ALTITUDE-AD protocol later this year to change the current Phase 2/3 study to a Phase 2 standalone study. If this happens, any interim analysis may then lead to an initiation of a confirmatory Phase 3 study.

In November 2023, we announced a global collaboration and license agreement with Halozyme to develop a subcutaneous formulation of sabirnetug. We expect to initiate a Phase 1 trial investigating a subcutaneous dosing option of sabirnetug in mid-2024.

Understanding the Foundation of Our Therapeutic Approach

While the pathology of AD was first described by Dr. Alois Alzheimer in 1906, the amyloid hypothesis was not developed until the Aß peptide was first identified as a major constituent of amyloid plaques in the 1980s. The primary constituent of amyloid plaques is the Aß peptide, although other proteins are present to lesser degrees. Historically, the primary hypothesis of decades of AD research, known as the amyloid hypothesis, held that AD dementia is the clinical consequence of Aß peptide monomers accumulating into extracellular amyloid plaques, or amyloid plaques, which in turn contribute to the formation of intracellular neurofibrillary tangles composed of the tau protein, which is directly linked to neuronal cell death. Additionally, amyloid plaques cause inflammation. The disruption of synaptic function, inflammation and brain cell loss ultimately lead to progressive Alzheimer's related dementia.

The amyloid hypothesis was more firmly established when a series of genetic mutations causing AD were discovered in the early to mid-1990s. These mutations were found in genes coding for the Amyloid Precursor Protein, or APP, and the genes coding for one of the enzymes which cleaves APP, creating the Aß peptide. Based on this hypothesis, a number of monoclonal antibodies currently or previously in clinical development for AD have primarily targeted either Aß monomers or amyloid plaques; for our purposes, this broadly defined class is referred to as anti-Aß/plaque antibodies. One of these antibodies, lecanemab, or LEQEMBI®, which was developed to target soluble aggregated species of Aß known as protofibrils, received approval from the U.S. Food and Drug Administration, or FDA, in 2023. Another antibody, donanemab, which was developed to target amyloid plaques, is under review for FDA approval, which is expected in 2024. The clinical data available to date, even for these approved mAbs, indicate some of the potential limitations of these approaches with respect to clinically meaningful patient benefit and safety.

Though alternative hypotheses to the amyloid hypothesis have been proposed, e.g., that neurodegeneration is a consequence of another process such as infection, the field has now developed an understanding that three predominant pools of Aß species exist in vivo: Aß monomers (single Aß peptides), amyloid plaques (insoluble fibrillar Aß), and soluble AßOs (dimers and up to 200-mers). Some experts in the field differentiate soluble AßO oligomers into globular structures or linear protofibrils. Linear soluble Aß protofibrils may elongate to form the insoluble fibrils that make up deposited amyloid plaques. Sabirnetug was developed to bind to globular AßOs rather than to Aß monomers, fibrils or deposited

amyloid plaques. The more recent recognition of the direct toxicity of soluble AßOs to neurons is the central tenet of our therapeutic approach.

AßOs have been observed to be potent neurotoxins that cause both acute synaptic toxicity and induce neurodegeneration. Experimentally in animal models, the accumulation of AßOs is associated with core AD neuropathology, including synapse deterioration and loss, tau hyper-phosphorylation, and inflammation. Research has also shown that the accumulation of AßOs is associated with AD-related behavioral deficits, such as learning and memory impairment. In light of this evidence, we believe that blocking the toxicity of AßOs is a differentiated and promising approach for maximizing the therapeutic index (efficacy compared to safety) for the treatment of AD.

Our Product Candidate

Our product candidate, sabirnetug, is a recombinant humanized, affinity-matured, immunoglobulin G2, or IgG2, subclass monoclonal antibody, derived from the murine immunoglobulin G1, or IgG1, parent, ACU3B3. We are currently developing sabirnetug for IV administration every four weeks (Q4W) for the treatment of early AD, and we intend to explore subcutaneous administration as well. We believe that sabirnetug represents a differentiated approach from current and prior anti-Aß/plaque immunotherapies because it is highly selective for soluble toxic AßOs. Sabirnetug has a nanomolar affinity for AßOs, over 500-fold greater selectivity for AßOs over Aß monomers, 87-fold greater selectivity for AßOs over Aß fibrils and, based on immunohistochemical experiments with human AD tissues, limited or no binding to dense core amyloid plaques. We believe that sabirnetug is the most advanced immunotherapy candidate in development that was designed to selectively target toxic AßOs.

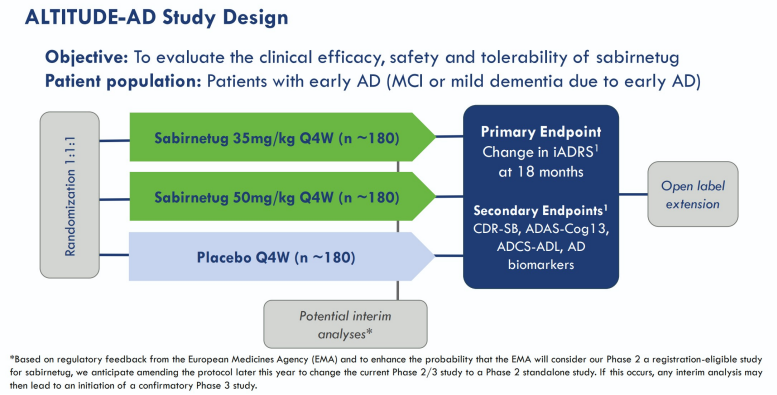
We believe that sabirnetug has characteristics that make it a promising potential treatment for AD relative to other antibodies that lack selectivity for AßOs. Sabirnetug is designed to have reduced immune effector function signaling and to avoid binding to vascular amyloid plaques, which we expect will reduce the incidence of ARIA as compared to amyloid plaque-targeting immunotherapies approved and in development for AD. Sabirnetug's selectivity for AßOs may increase the potential for greater efficacy as compared to these other immunotherapies. We announced results from INTERCEPT-AD, a proof of mechanism Phase 1 clinical trial involving early AD patients, in July 2023. We expect to initiate ALTITUDE-AD, our Phase 2 clinical trial, in the first half of 2024. We also expect to initiate a Phase 1 clinical trial investigating a subcutaneous dosing option of sabirnetug in mid-2024.

Clinical Development Plan

ALTITUDE-AD

As noted above, we expect to initiate a Phase 2 clinical trial, ALTITUDE-AD, in the first half of 2024. It is a randomized, double-blind, placebo-controlled, three arm study designed to evaluate the clinical efficacy, safety and tolerability of sabirnetug, with up to 180 participants per arm for a total of up to 540 participants with MCI or mild dementia due to AD. We intend to use iADRS, a measurement of cognitive and functional decline, at 18 months as the primary outcome measure. Our planned doses for ALTITUDE-AD are 35 mg/kg and 50 mg/kg both dosed IV Q4W. Participants randomized to the 50 mg/kg dose will be administered 35 mg/kg for the first two doses and then will be increased to 50 mg/kg. The 35 and 50 mg/kg doses were selected based on extensive PK/PD modeling of our Phase 1 data.

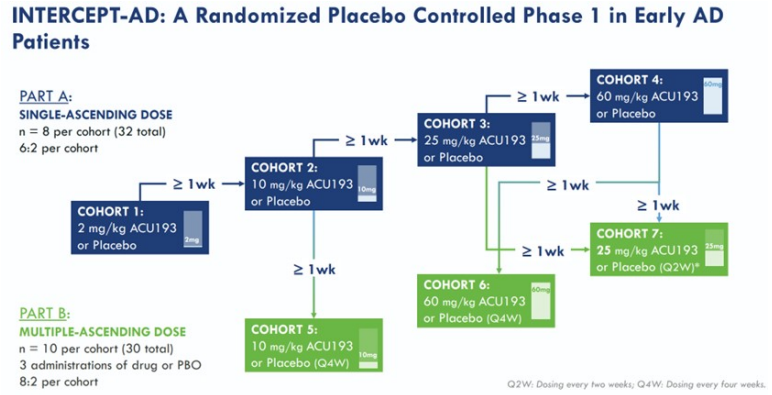
Figure 1. Design of ALTITUDE-AD



INTERCEPT-AD

We reported topline results from INTERCEPT-AD, a U.S.-based, multi-center, randomized, placebo-controlled, single and multiple ascending dose Phase 1 clinical trial of sabirnetug in July 2023. This trial enrolled 65 participants with early AD, and 62 participants received at least one dose of study drug. The early AD patient group was comprised of individuals who have mild dementia or MCI due to AD, and our trial excluded patients with moderate to severe AD dementia. Patients were enrolled across seven cohorts, consisting of a single ascending dose in Part A and an overlapping multiple ascending dose in Part B. Part A contained Cohorts 1 through 4; each cohort received a single IV dose between 2mg/kg and 60 mg/kg, or placebo. Part B contained Cohorts 5 through 7; each cohort received a total of three doses of sabirnetug or placebo as follows: 10 mg/kg every four weeks (Q4W), 60 mg/kg Q4W, or 25 mg/kg every two weeks (Q2W).

Figure 2. Design of INTERCEPT-AD



Trial Design Part A - Single Ascending Dose

In Part A of our clinical trial, participants were randomized in a 6:2 ratio into one of four cohorts to receive a single dose of sabirnetug or placebo as follows:

- Cohort 1: One IV dose of sabirnetug (2 mg/kg) or placebo.
- Cohort 2: One IV dose of sabirnetug (10 mg/kg) or placebo.
- Cohort 3: One IV dose of sabirnetug (25 mg/kg) or placebo.
- Cohort 4: One IV dose of sabirnetug (60 mg/kg) or placebo.

The double-blind treatment period for Cohorts 1-4 of Part A was approximately 20 weeks and included ten visits (four inpatient and six outpatient). A sequential dosing scheme was followed for each cohort in Part A. Dosing of Cohorts 1-3 began at least one week after all participants in the immediately preceding lower-dose cohort had received one administration of study drug and safety data had been reviewed by our internal blinded safety team. Dosing of Cohort 4 began at least one week after all participants in Cohort 3 received one administration of study drug and these safety data, along with Cohort 2 aggregate PK data, had been reviewed by our internal blinded safety team. An unblinded, independent Data Monitoring Committee, or DMC, also monitored safety data in the trial and was able to review data on an ad hoc basis if requested by the blinded study team.

Trial Design Part B - Multiple Ascending Dose

In Part B of our clinical trial, participants were randomized in an 8:2 ratio into one of three cohorts to receive a total of three doses of sabirnetug or placebo as follows:

- Cohort 5: One IV dose of sabirnetug (10 mg/kg) or placebo once every four weeks.
- Cohort 6: One IV dose of sabirnetug (60 mg/kg) or placebo once every four weeks.
- Cohort 7: One IV dose of sabirnetug (25 mg/kg) or placebo once every two weeks.

Participants in Cohorts 5 and 6 were evaluated over approximately 35 weeks, consisting of a seven-week screening period followed by a 28-week, double-blind treatment period.

Participants in Cohort 7 were evaluated over approximately 31 weeks, consisting of a seven-week screening period, followed by a 24-week, double-blind treatment period.

In order to maintain participant safety for Part B of the clinical trial, dosing of Cohort 5 began at least one week after all participants in Cohort 2 of Part A had received one administration of sabirnetug or placebo and the Cohort 2 safety data had been reviewed by our internal blinded safety team. For Cohort 6, dosing began at least one week after all participants in Cohort 4 of Part A had received one administration of sabirnetug or placebo and the Cohort 4 safety data had been reviewed by our internal blinded safety team. Dosing of Cohort 7 began after review of Cohort 3 and Cohort 4 safety data at least one week after the last person in the cohort was dosed. If a potential safety signal, an unexpected adverse reaction, or higher than expected exposure had occurred, our internal blinded safety team would have notified the independent, unblinded DMC to review the safety and PK data and advise on dose escalation. Cohort 7 allowed for additional pharmacokinetic modeling to more accurately determine if every two-week dosing is necessary and if accumulation of sabirnetug occurs with this dosing frequency.

Endpoints

Our Phase 1 clinical trial established clinical proof of mechanism of sabirnetug in patients with early AD. The endpoints we measured as part of this trial included:

Primary Endpoint

- safety and immunogenicity, including assessment for ARIA.

Secondary Endpoints and Exploratory Objectives

- pharmacokinetics in plasma;
- determination of CSF concentrations of sabirnetug;

- evaluation of central target engagement as measured by levels of sabirnetug AßO complex in CSF;
- evaluation of possible changes in concentration of biomarkers for AD in CSF or blood;
- evaluation of possible changes in amyloid plaque load as determined by PET imaging;
- exploratory evaluation of possible changes in cerebral blood flow as determined by MRI imaging, using Arterial Spin Labeling (ASL) pulse sequence; and
- exploratory evaluation of possible changes in cognitive, functional, and behavioral measures using computerized testing and standard clinical measures for AD.

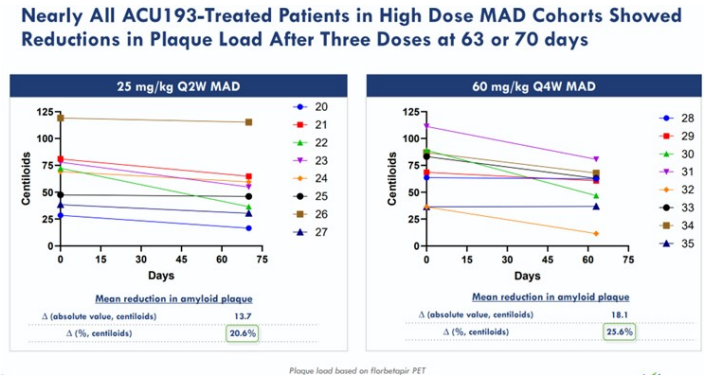
The main objective of INTERCEPT-AD was to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, and target engagement of single and multiple ascending doses of sabirnetug administered by IV infusion. Exploratory outcomes included cognitive scales and computerized cognitive testing. Our goal was to establish clinical proof of mechanism of sabirnetug in early AD patients in order to enable progression into further clinical development.

Results

We announced INTERCEPT-AD topline data in July of 2023, which demonstrated that sabirnetug met the primary and secondary objectives of this study in 62 participants with early AD.

- An analysis of change in amyloid plaque load, as measured by PET, Centiloids, demonstrated a rapid, dose-related mean decrease at the higher dose levels studied. Sabirnetug (60 mg/kg every four weeks [Q4W] and 25 mg/kg every two weeks [Q2W]) showed a statistically significant reduction in amyloid plaque load as determined by amyloid PET after 6-12 weeks (from baseline to endpoint within cohorts ($p = 0.01$)). This finding provides evidence that sabirnetug is active in the brain.

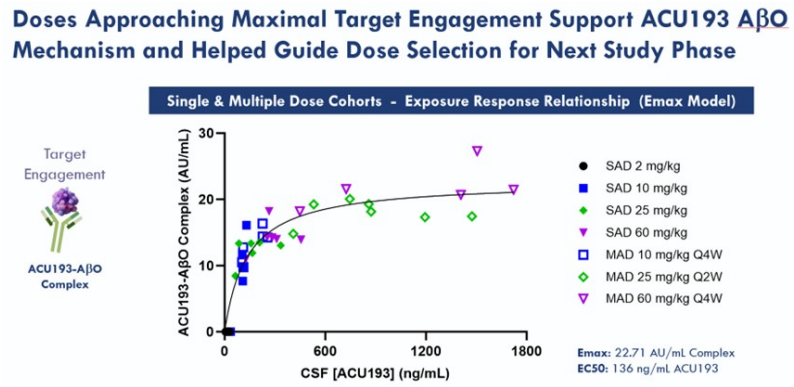
Figure 3. INTERCEPT-AD plaque reduction observed in highest dose MAD cohorts



- Sabirnetug was well-tolerated throughout the SAD and MAD dose cohorts. Three treatment-emergent serious adverse events were observed after administration of sabirnetug; all were deemed not related or unlikely related to sabirnetug. The most common treatment-emergent adverse events from all dose groups combined were ARIA-E (10.4%), ARIA-H (hemorrhage) (8.3%), COVID-19 (6.3%), hypersensitivity (6.3%), bronchitis (4.2%), headache (4.2%), fall (4.2%) and post LP syndrome (4.2%). The overall rate of ARIA-E was 10.4%, which included one case of symptomatic ARIA-E (2.1%). Of note, no apolipoprotein E, or APOE4, homozygote patients exhibited ARIA-E (n=6 treated).
- Pharmacokinetic results in CSF demonstrated statistically significant dose proportionality. Serum PK was dose-related without drug accumulation, and CSF PK was dose- and dose-regimen proportional. Levels of sabirnetug detected in CSF in all cohorts were in excess of endogenous levels of AßOs reported in CSF. Evidence of treatment emergent immunogenicity was observed; anti-drug antibodies were consistently low titer and there was no apparent effect on serum PK. These data support monthly dosing of sabirnetug.

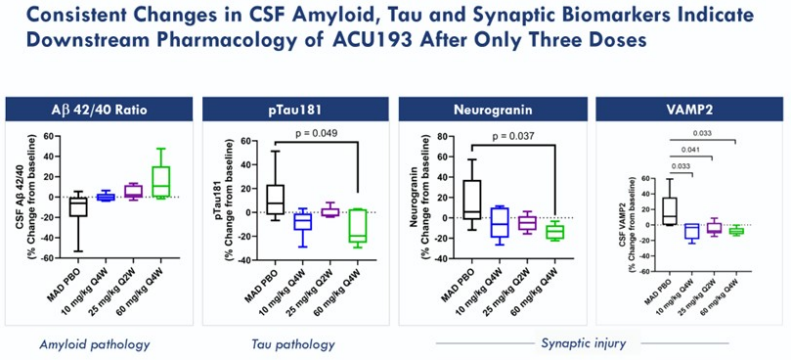
- Statistically significant, dose-related central target engagement was observed as measured by sabirnetug-AßO complex, establishing the first target engagement assay developed that is specific to an AßO-targeting antibody. An exposure response relationship (Emax) model revealed near maximal target engagement with repeated dosing at 25 mg/kg and 60 mg/kg.

Figure 4. Near maximal target engagement of AßOs observed in INTERCEPT-AD



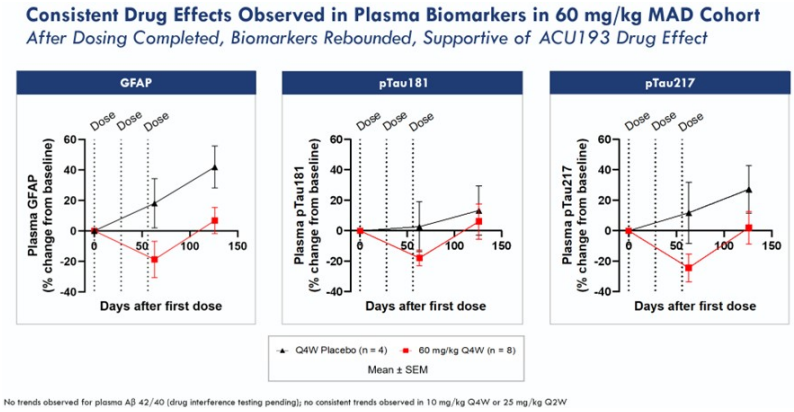
- Exploratory measures of potential acute drug effects including assessment of cognition, as determined by a computerized cognitive battery, and changes in cerebral blood flow, as determined by arterial spin labelling with magnetic resonance imaging (Siemens MRI), did not show discernible effects from the immediate administration of sabirnetug. This was not unexpected due to the short duration and small sample size of INTERCEPT-AD.
- Biofluids for assessment of biomarkers of downstream neurodegeneration were collected during the study.
    - A dose dependent trend was observed in the MAD cohorts toward sabirnetug effect on CSF biomarkers specific to amyloid and tau pathology and synaptic injury. These included p-tau181, total tau, neurogranin, VAMP2 and the Aß-42/40 ratio. At the 60 mg/kg Q4W dose of sabirnetug, nominally statistically significant improvements in p-tau181 and neurogranin were observed as compared to the placebo group (p=0.049 and p=0.037, respectively). At all doses, statistically significant improvement in VAMP2 was observed compared to placebo (p=0.033 for the 10 mg/kg dose, p=0.041 mg/kg for 25 mg/kg dose and p=0.033 for the 60 mg/kg dose). Nominally significant correlation was also observed between target engagement of AßOs and change in CSF neurogranin across all doses, and a trend was seen for target engagement versus CSF p-tau181.

Figure 5. CSF biomarker changes observed in INTERCEPT-AD



- At the 60 mg/kg MAD cohort of sabirnetug, consistent trends were observed in plasma biomarkers, including GFAP, p-tau181 and p-tau217. After dosing completed, biomarkers also rebounded toward placebo, further supportive of a drug effect of sabirnetug.

Figure 6. Plasma biomarker changes observed in INTERCEPT-AD



In October of 2023, we met with the FDA to discuss the ALTITUDE-AD study design, and the potential pathway for registration of sabirnetug. The FDA had previously granted Fast Track designation to ACU193 in October 2022.

Nonclinical and Laboratory Data

In nonclinical studies, sabirnetug has demonstrated promising characteristics that indicate its potential to inhibit AßOs as a possible therapeutic treatment of AD. Sabirnetug has high selectivity, with over 500-fold binding selectivity for AßOs compared to Aß monomers, 87-fold selectivity for AßOs over Aß fibril, and limited or no binding to amyloid plaques. Sabirnetug binds to a broad spectrum of small to large soluble AßOs. Additionally, sabirnetug has been shown to offer protection from synaptic toxicity by inhibiting binding of AßOs to primary hippocampal neurons. Sabirnetug has also demonstrated suitable in vivo pharmacology, target engagement, blood-brain barrier penetration and reduction of behavioral deficits. Lastly, Good Laboratory Practice, or GLP, toxicity studies conducted in two animal species supported

the Phase 1 clinical trial. We believe these data, combined with our Phase 1 clinical trial results, indicate that sabirnetug has the potential to offer patients a reduction in cognitive decline.

Summary of Nonclinical Studies

In our nonclinical studies, sabirnetug has demonstrated: (i) preferential selectivity for binding to AßOs versus other forms of Aß monomers and amyloid plaques in in vitro assays, human AD tissue samples and in vivo transgenic mouse models; (ii) consistent data in support of sabirnetug protective effects against AßO toxicity in in vitro and ex vivo assays; (iii) in vivo pharmacology in multiple species confirming blood-brain barrier penetration, target engagement, and behavioral effects; and (iv) safety data in multiple species including GLP toxicology studies in Sprague-Dawley rats and cynomolgus monkeys supporting the clinical trials.

Selectivity for AßOs

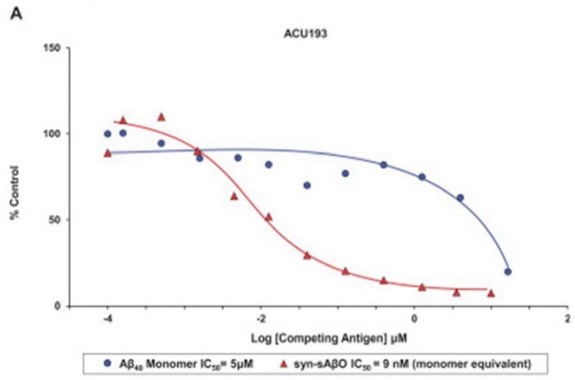
In order to understand sabirnetug selectivity for AßOs, we performed biochemical assays and immunohistochemistry experiments.

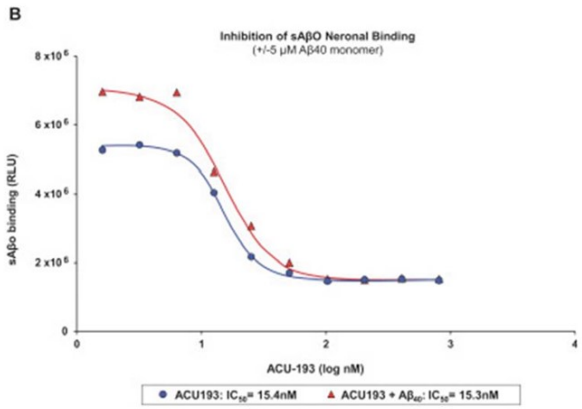
Selectivity for AßOs versus Aß monomers

We demonstrated that sabirnetug shows significant preferential selectivity for AßOs compared to Aß monomers. In a competition ELISA assay, sabirnetug's binding to AßOs was 556-fold greater than binding to Aß monomers. Figure 7[A] shows comparative syn-AßO versus Aß monomer affinity data for sabirnetug and illustrates the high selectivity of sabirnetug for AßOs. Further evidence of sabirnetug selectivity for synthetic-AßOs, or syn-AßOs, was obtained using a very high concentration of monomeric Aß, 5 µM, which did not decrease binding to syn-AßOs (Figure 7[B]). We believe sabirnetug's selectivity for AßOs in the presence of abundant Aß monomers is representative of the in vivo levels of these Aß species in AD patients.

Thus, sabirnetug does not experience "target distraction" from non-toxic Aß monomers in an environment simulating brain interstitial fluid.

Figure 7. [A] Competitive ELISA for sabirnetug binding to syn-AßO or monomeric Aß40 [B] 5µM monomeric Aß did not substantially change binding to syn-AßO



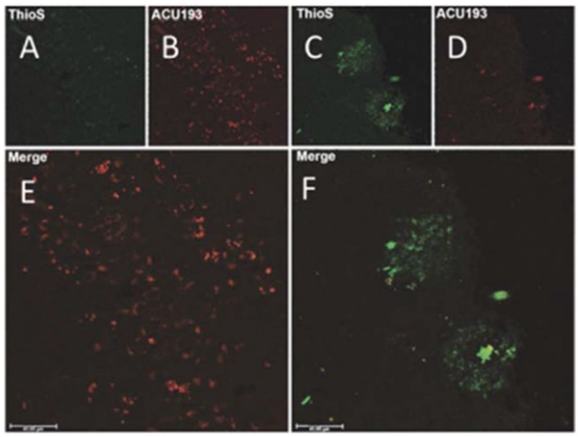


These results support the conclusion that selectivity of sabirnetug for AßOs is maintained in a biochemical environment simulating the brain.

Selectivity for AßOs versus amyloid plaques

We have shown in our human immunohistochemistry studies that sabirnetug binds AßOs from AD patients with limited or no binding to amyloid plaques. In Figure 8 below, thioflavin S-positive ß-amyloid plaques are shown in green fluorescence while sabirnetug binding is shown in red fluorescence. Sabirnetug binds significantly in regions that are thioflavin-S-negative, i.e., without amyloid plaques (Figure 8, Panels B and E), but only infrequently and minimally may bind to thioflavin-S-positive fibrillar Aß structures in their periphery (Figure 8, Panels D and F). Taken together, these results are consistent with the concept that sabirnetug binds endogenous AßOs, and preferentially binds AßOs versus fibrillar Aß.

Figure 8. Sabirnetug binding to AßOs versus amyloid plaques



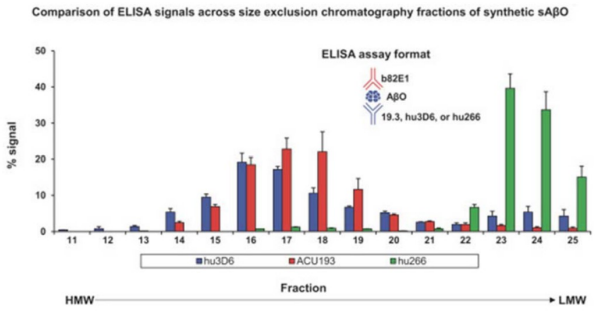
The upper left portion of the immunohistochemistry figure shows that in areas with no amyloid plaque binding (no green fluorescence staining, A) there is substantial binding by sabirnetug (red fluorescence staining, B) that is not related to

amyloid plaque. The merge of these panels (Panel E) shows sabirnetug binding with no amyloid plaque present. On the upper right portion of the figure, the area that is positive for amyloid plaque (green fluorescence staining, C) shows minimal sabirnetug binding (red fluorescence staining, Panel D). The merge of these panels (F) shows the minimal binding of sabirnetug (red fluorescence staining) on the periphery of the amyloid plaque (green fluorescence staining), which may be related to AßO binding in the halo of the amyloid plaque.

Binding to a broad spectrum of molecular weight AßOs

In addition, we demonstrated that sabirnetug binds a broad spectrum of AßOs across various molecular weights. In another series of experiments, syn-AßOs were fractionated by size exclusion chromatography and characterized by ELISA using sabirnetug, hu3D6 (bapineuzumab) or hu266 (solanezumab) as the capture antibody and biotinylated anti-human Aß antibody 82E1 for detection. These data show sabirnetug binds AßOs ranging from dimers to approximately 100-mers, with preferential binding to mid-molecular weight oligomers compared to hu266. This range of sizes is very similar to the range of sizes of oligomers thought to be most toxic.

Figure 9. Binding of humanized antibodies to size exclusion chromatography fractions of synthetic Aß species



Size exclusion chromatography fractionation of syn-AßO prep with sandwich ELISA detection. hu3D6 is also known as bapineuzumab; hu266 is also known as solanezumab. These data demonstrate the specificity of sabirnetug for oligomers versus monomers, and also demonstrate a range of oligomers that are bound by sabirnetug.

Collectively the data show that sabirnetug binds AßOs with 556-fold selectivity versus Aß monomers and demonstrates limited to no binding to amyloid plaques, but does bind to a broad range of synthetic and endogenous low, mid, and higher molecular weight AßOs. Based on these and other data, we believe that sabirnetug can target therapeutically relevant AßOs in the brain of early AD patients.

In Vivo Pharmacology

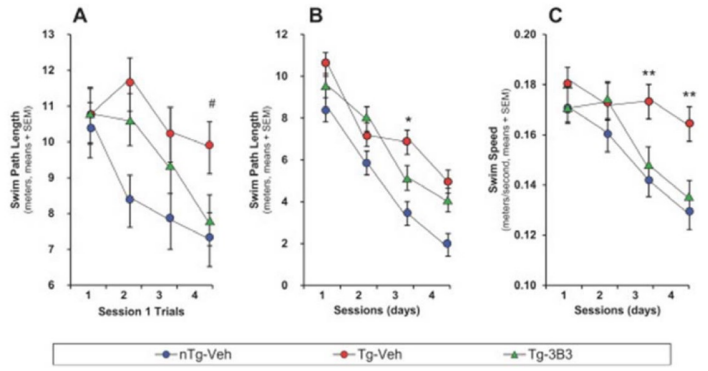
In order to understand the effects of sabirnetug in intact animals, we performed behavioral studies in transgenic mice with genetic alterations that overproduce a mutant amyloid precursor protein that forms amyloid plaques. The transgenic mouse models are generally based on autosomal dominant mutations in the APP gene causing rare forms of human AD. Transgenic mouse models using these mutations may not cause the full spectrum of AD pathology, but they do provide relevant animal models for drug development in AD.

In vivo behavioral studies in multiple transgenic mouse models for AD

The behavioral studies described below, performed at three different laboratories, indicate in vivo central pharmacologic activity of peripherally administered ACU3B3. The behavioral effects seen in these studies indicate that sufficient amounts of ACU3B3 cross the blood-brain barrier to engage the target, resulting in behavioral improvements in these transgenic mice.

A study conducted at QPS and using nine- to ten-month-old APP/SL transgenic mice treated weekly with 20 mg/kg ACU3B3 for four weeks demonstrated statistically significant behavioral improvements in swim path length and swim speed during the water maze learning test (Figure 10).

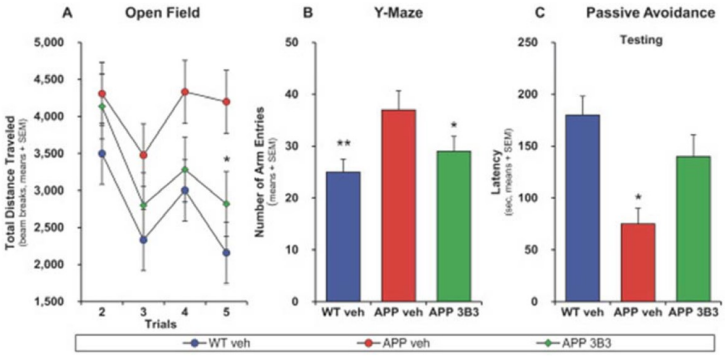
Figure 10. Results of ACU3B3 treatment in mice study



ACU3B3 treatment in nine- to ten-month-old APPSL mice (n=10/group) improves performance on the first day of water maze training (A; p=0.057), decreases swim path length (B; p=0.034), and reverses a swim speed abnormality (C; p<0.02).

In a separate study conducted at Stanford University, the hyperactivity phenotype of five- to seven-month-old Thy1-hAPP/SL transgenic mice in the open field and Y-maze tests was also significantly reduced after four to five weeks of treatment with ACU3B3 (20 and 30 mg/kg, weekly). Prior to dosing, Thy1-hAPP/SL mice showed increased activity in the activity chamber compared to wild-type mice. After treatment with ACU3B3, Thy1-hAPP/SL mice activity fell to a level comparable to wild-type mice, particularly activity in the center of the test arena (Figure 11[A]). Similar effects of ACU3B3 were found with changes in Y-maze behavior (Figure 11[B]) and passive avoidance (Figure 11[C]).

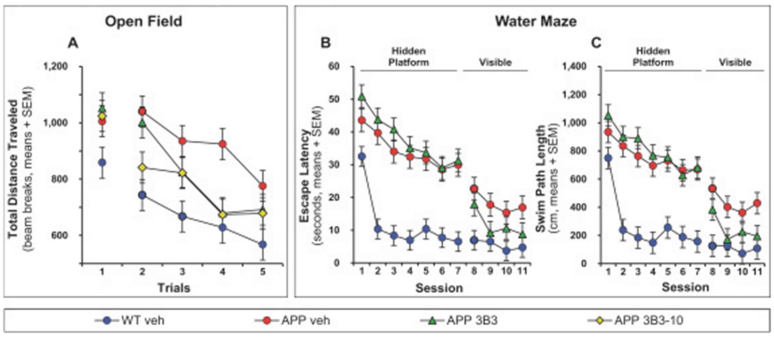
Figure 11. ACU3B3 treatment at 20 mg/kg in five- to seven-month-old Thy1-hAPP/SL mice (n=13-14/group, means + SEM)



[A] Open field total distance measurement, APP-Veh vs. APP-3B3, *p=0.029. [B] Y-maze arm entries, APP-Veh vs APP-3B3, *p=0.045; APP-Veh vs WT-Veh, **p=0.007. [C] Passive avoidance latency, APPSL-APP3B3 vs. APPSL-Veh trended for drug effect, but was not statistically significant.

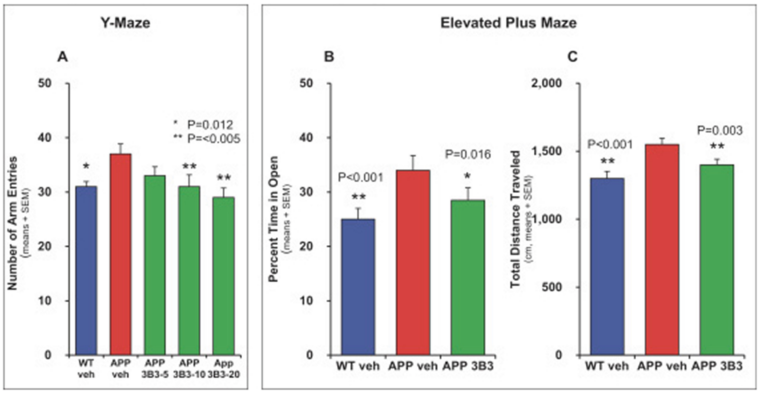
In separate studies conducted at the Gladstone Institute in young three- to five-month-old hAPP/J20 mice, behavioral abnormalities in these mice were reduced after chronic treatment with ACU3B3. Treatment ameliorated the hyperactivity phenotype, emotional response alterations and procedural learning deficits in this mouse model and hyperactivity in the Y-maze test was reduced dose-dependently (5 < 10 = 20 mg/kg) (Figure 12).

Figure 12. Open field and water-maze behavior in three- to five-month-old hAPP/J20 mice following repeat weekly IP dosing with ACU3B3 (n=13-14/group)



[A] Open field activity after four weekly doses. [B], [C] Water-maze behavior following eight weekly doses.

Figure 13. Y-maze and elevated plus-maze behavior in three- to five-month-old hAPP/J20 mice following repeat, weekly IP dosing with ACU3B3 (n=13-14/group)



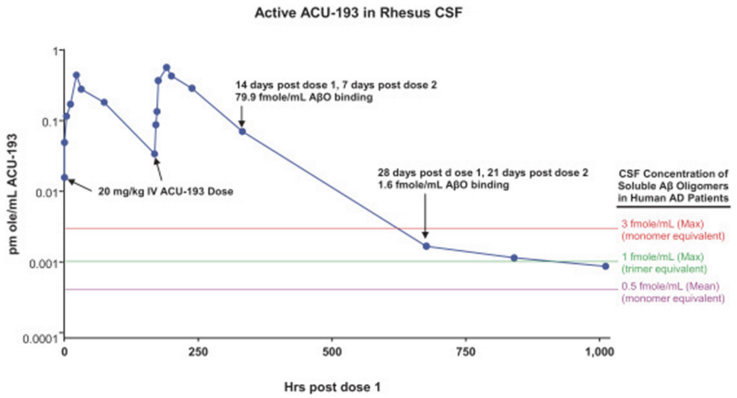
[A] Y-maze activity after six weekly doses. [B], [C] Elevated plus-maze behavior following nine weekly doses.

Taken together, these behavioral studies, performed at three different laboratories, indicate in vivo central pharmacologic activity of peripherally administered ACU3B3. The behavioral effects seen in these studies indicate that sufficient amounts of ACU3B3 cross the blood-brain barrier to engage the target, resulting in behavioral improvements in these transgenic mice.

Pharmacokinetics and Pharmacodynamics

A study of pharmacokinetics in CSF was conducted in rhesus monkeys. An intrathecal catheter was implanted in the monkeys, and two doses at 20 mg/kg IV were administered. As shown in Figure 14, the concentrations of sabirnetug in CSF should provide adequate target engagement with dosing every four weeks. This was recapitulated in our INTERCEPT-AD Phase 1 results, which demonstrated near-maximal target engagement of AßOs at both 25 mg/kg Q2W and 60 mg/kg Q4W.

Figure 14. Comparison of sabirnetug levels in rhesus CSF to CSF Levels of AßO in human AD patients



Following two doses of 20 mg/kg sabirnetug CSF concentrations were sufficient to provide target engagement at 28 days. An estimate of 1 fmole/mL for oligomer concentration is conservative given that it is based on AßOs consisting of trimers.

Safety Profile

GLP studies using IV administration of sabirnetug established a no-observed-adverse-effect level, or NOAEL, of 250 mg/kg/dose, which was the maximum feasible dose, given every two weeks in a 28-day study in Sprague-Dawley rats. The NOAEL in cynomolgus monkeys was 300 mg/kg/dose in a 14-week study in cynomolgus monkeys using IV dosing every two weeks. In Sprague Dawley rats, no adverse findings were noted. In the 14-week study in cynomolgus monkeys, doses of 60, 300, or 600 mg/kg/dose sabirnetug once every two weeks were administered. Three animals administered the highest 600 mg/kg/dose were sacrificed early for humane reasons on Days 43 or 60 due to sabirnetug-related, anaphylactoid-type reactions.

Thus, the 300 mg/kg/dose is considered the NOAEL for cynomolgus monkeys. The NOAELs of 300 mg/kg and 250 mg/kg compare favorably to the highest dose of sabirnetug that was used in our Phase 1 clinical trial (60 mg/kg) and the doses chosen for our Phase 2 clinical trial (30 and 50 mg/kg).

With regard to effector function and possible inflammatory effects generally, sabirnetug is an IgG2 subclass antibody which has limited inflammatory effector function signaling compared to other IgG subclasses.

Combination Potential

While we believe sabirnetug, if successful, will likely be a foundational treatment for people with early AD, it also could be used as part of a combination treatment regimen. The pathology of AD is complex, and many experts in the field expect that combination therapy using disease-modifying drugs with different mechanisms of action, such as tau, immune modulation, glial cells such as microglia and astrocytes, and growth factors, will ultimately prove most successful, similar to cutting edge approaches used in oncology. In addition, because symptomatic treatments, such as memantine and cholinesterase inhibitors, affect neurotransmitter systems rather than the underlying AD pathology, we believe that they can be used together with disease-modifying treatments.

Manufacturing

We do not currently own or operate facilities for product manufacturing, storage and distribution, or testing. We contract with third parties for the manufacture of sabirnetug. Because we rely on contract manufacturers, we employ personnel with extensive technical, manufacturing, analytical and quality experience. Our staff has strong project management discipline to oversee contract manufacturing and testing activities, and to compile manufacturing and quality information for our regulatory submissions.

Manufacturing is subject to extensive regulation that imposes various procedural and documentation requirements and that governs record keeping, manufacturing processes and controls, personnel, quality control and quality assurance, and more. Our systems and our contractors are required to be in compliance with these regulations, and compliance is assessed regularly through monitoring of performance and a formal audit program.

Our current supply chains for sabirnetug involve several manufacturers that specialize in specific operations of the manufacturing process, including raw materials manufacturing, drug substance manufacturing and drug product manufacturing. We currently operate under work order programs for sabirnetug with master services agreements in place that include specific supply timelines, volume and quality specifications. We believe our current manufacturers have the scale, the systems, and the experience to supply our currently planned clinical trials.

Competition

In June 2021, the FDA granted approval for Biogen's Aduhelm® (aducanumab) under the FDA's Accelerated Approval Pathway, or AAP. Aduhelm was the first new AD product approval since 2004 and the first approved disease-modifying product. In April 2022, the Centers for Medicare and Medicaid Services, or CMS, released a final National Coverage Decision, or NCD, that restricts reimbursement for monoclonal antibodies directed against amyloid for the treatment of AD, including Aduhelm, under a Coverage with Evidence Development, or CED, designation. The CED limits reimbursement of anti-amyloid antibodies, including Aduhelm, to placebo-controlled clinical trials. In May 2022, Biogen announced its decision to eliminate substantially all commercial support for Aduhelm in the U.S. and withdrew its marketing application for Aduhelm in Europe. In January 2024, Biogen announced its decision to discontinue the development and commercialization of Aduhelm.

In September 2022, Eisai announced results from its Leqembi® (lecanemab) Phase 3 CLARITY-AD trial. Leqembi is a recombinant humanized immunoglobulin gamma 1 (IgG1) monoclonal antibody directed against aggregated soluble (protofibrils) and insoluble (plaque) forms of amyloid beta. In CLARITY-AD, Leqembi demonstrated highly statistically significant effects on primary and secondary clinical measures (including a 27% slowing of cognitive decline as measured by CDR-SB) and a lower rate of ARIA-E (12.6%) than observed for aducanumab in the Phase 3 EMERGE and ENGAGE studies. In January 2023, the FDA granted approval for Leqembi under the AAP based on results of its Phase 2 study. In July 2023, the FDA approved the supplemental Biologics License Application, or sBLA, supporting the approval of Leqembi. Also in July 2023, CMS announced it would cover Leqembi when a physician and care team participates in a CMS-facilitated registry. While this approval and coverage determination are encouraging developments, the need for additional options for AD treatment and prevention becomes more urgent with each passing year, and we believe that our novel approach can potentially help address this pressing need.

In January 2023, the FDA issued a complete response letter to Eli Lilly and Company for the accelerated approval submission of donanemab. In May 2023, Eli Lilly announced results from its donanemab Phase 3 TRAILBLAZER-ALZ 2 trial. Donanemab is an immunoglobulin gamma 1 (IgG1) monoclonal antibody that specifically targets deposited amyloid plaque. In the TRAILBLAZER-ALZ 2 trial, donanemab demonstrated highly statistically significant effects on primary and secondary clinical measures (including a 29% slowing of cognitive decline as measured by CDR-SB in its high and intermediate tau patient group) with a higher rate of ARIA-E (24%) than Leqembi. Eli Lilly expects regulatory action from the FDA on donanemab in 2024.

There have been no comprehensive head-to-head clinical trials between any of the product candidates discussed above. Study designs and protocols for each product candidate were different, and results may not be comparable between product candidates.

We face competition from several different institutions, including pharmaceutical and biotechnology companies, research institutions, governmental organizations and universities developing novel therapies for AD. We believe that the key factors affecting the clinical and commercial success of sabirnetug will include safety profile, efficacy, cost, method of administration, level of marketing activity, insurance reimbursement and intellectual property protection.

If approved, sabirnetug can be used in combination with therapies currently approved for the treatment of AD which treat the symptoms of AD rather than the underlying cause of the disease, such as memantine and cholinesterase inhibitors.

Other companies known to be developing therapies with Aß-, AßO-, and amyloid plaque-related targets include AbbVie Inc., Alnylam Pharmaceuticals, AltPep Corporation, Alzheon, Inc., Alzinova AB, BioArctic AB, Biogen Inc., Chugai Pharmaceutical Co. Ltd., Cognition Therapeutics, Inc., Eisai Co., Ltd., Eli Lilly and Company, Grifols, S.A., KalGene Pharmaceuticals, Inc., Neurimmune AG, Novartis AG, Priavoid GmbH, ProMIS Neurosciences, Inc., Prothena Biosciences, Inc., Roche Holding AG (including Genentech, its wholly owned subsidiary),Vaxxinity, Inc., Vivoryon Therapeutics N.V. and Wavebreak Therapeutics, Inc. Additionally, sabirnetug, if approved, may also compete with other potential therapies intended to address underlying causes of AD that are being developed by several companies, including AbbVie Inc., AC Immune SA, Alector, Inc., Anavex Life Sciences Corp., Annovis Bio, Inc., Athira Pharma, Inc., Biogen Inc., Biohaven Pharmaceuticals, Inc., Cassava Sciences, Inc., Denali Therapeutics, Inc., Eisai Co., Ltd., Johnson & Johnson (including Janssen, its wholly-owned subsidiary), H. Lundbeck A/S, Lighthouse Pharma, Roche Holding AG, and Takeda Pharmaceutical Co. Ltd.

Additional Treatment Modalities

While Aß and amyloid are generally considered to be the proximal cause of AD pathology, and alternative hypotheses to the amyloid hypothesis propose that amyloid accumulation is a consequence of other processes such as infection and that other pathogens lead to amyloid accumulation, downstream targets such as tau, inflammation-related targets, and growth factors may eventually be useful approaches in the treatment of AD and are being explored. Some of these treatment modalities have made nonclinical and early-stage clinical progress, although these efforts are still significantly less advanced than those approaches targeting Aß or amyloid plaques.

Collaboration Agreement with Merck

In December 2003, we entered into an exclusive license and research and development collaboration agreement with Merck to research, discover and develop certain technology related to amyloid beta-derived diffusible ligands, or ADDLs, which agreement was amended and restated in October 2006. The agreement generally provided that, during the course of the collaboration, Merck would be responsible for the preclinical and clinical development and commercialization of any products covered by the agreement and, in return, we were eligible to receive potential nonclinical, clinical and regulatory milestone payments and royalties on future product sales. During the collaboration, Merck developed sabirnetug, an ADDL antibody, and intellectual property related to sabirnetug was filed by Merck. In 2011, Merck elected to voluntarily terminate the collaboration agreement. Pursuant to the surviving provisions of the agreement, effective upon termination of the collaboration, Merck granted us an exclusive, perpetual, irrevocable, royalty-free, worldwide license, with right to sublicense, under Merck's interest in the patent rights and know-how necessary for the research, development, manufacturing or commercialization of ADDL antibodies, ADDL antigens or products, including sabirnetug.

License Agreement with Lonza

On November 2, 2022, the Company entered into a License Agreement, or the Lonza License Agreement, with Lonza Sales AG, or Lonza. Under the terms of the Lonza License Agreement, Lonza granted the Company a worldwide non-exclusive license to use Lonza's glutamine synthetase gene expression system to manufacture and commercialize sabirnetug, or the Lonza Product.

Pursuant to the Lonza License Agreement, we paid Lonza an upfront fee of 1.0 million Swiss Francs. The Company is also required to pay certain royalties upon commercialization and annual payments on a country-by-country basis in respect of the manufacturing and sale of the Lonza Product, which include (i) a royalty of less than 1.0% on net sales where Lonza manufactures the Lonza Product, (ii) an annual royalty payment in Swiss Francs in the low six-digits and a royalty of less than 1.0% on net sales where the Company manufactures the Lonza Product and (iii) an annual payment in Swiss Francs in the mid six-digits per sublicense and a royalty on net sales in the low single digits where a third party manufactures the Lonza Product. These payment obligations would expire ten years from the first commercial sales of the Lonza Product in such country of sale.

The Lonza License Agreement continues until terminated, and the Company or Lonza may terminate the Lonza License Agreement for uncured material breaches or insolvency of the other party. The Company can unilaterally terminate the Lonza License Agreement with prior written notice to Lonza, and Lonza can also unilaterally terminate the Lonza License Agreement upon certain actions by the Company. The Lonza License Agreement also contains customary representations, warranties, indemnification and other obligations of the Company and Lonza.

Halozyme License Agreement

On November 5, 2023, the Company entered into a Non-exclusive Collaboration and License Agreement, or the Halozyme License Agreement, with Halozyme, Inc., or Halozyme. Under the terms of the Halozyme License Agreement, Halozyme granted the Company a non-exclusive license to Halozyme's ENHANZE® drug delivery technology for the development of a subcutaneous formulation of sabirnetug, or the Halozyme Product. Halozyme will also be the Company's exclusive supplier of clinical and commercial supplies of the API for Halozyme's PH20 product.

Pursuant to the Halozyme License Agreement, the Company paid Halozyme a seven figure upfront payment for the license to Halozyme's technology. Additionally, the Company will make milestone payments tied to achievement of certain development and commercialization milestone events with respect to the Halozyme Product, as well as milestone payments based on achievement of certain net sales levels of the Halozyme Product. The Company will also make single-digit royalty payments based on worldwide net sales of the Halozyme Product.

The Halozyme Agreement includes customary termination rights, representations and warranties, covenants and indemnification obligations for a transaction of this nature.

Intellectual Property

Our intellectual property is critical to our business and we strive to protect it, including by obtaining and maintaining patent protection in the United States and internationally for our product candidate. We also rely on the skills, knowledge and experience of our scientific and technical personnel, as well as that of our advisors, consultants and other contractors. To help protect our proprietary know-how that is not patentable, we rely on confidentiality agreements to protect our interests. We require our employees, consultants, scientific advisors and contractors to enter into confidentiality agreements prohibiting the disclosure of confidential information and requiring disclosure and assignment to us of the ideas, developments, discoveries and inventions important to our business.

The main form of commercial exclusivity for our product candidate, sabirnetug, is expected to come from biologic regulatory exclusivity. We expect that once approved by regulatory agencies, sabirnetug will receive the benefit of 12 years of market exclusivity in the U.S. and 10 to 11 years of data and market exclusivity in Europe, in each case, against competitors seeking approval for a biosimilar product.

We have an exclusive license grant from Merck to patents claiming the composition and method of use of our product candidate, sabirnetug. The license grant arose from our collaboration agreement with Merck to research, discover, and develop technology related to ADDLs. During our collaboration, sabirnetug, an ADDL antibody, was developed and intellectual property was filed by Merck. In 2011, the collaboration agreement terminated and Merck exclusively licensed to Acumen, Merck's interest in patent rights claiming ADDL antibodies, including sabirnetug, ADDL Antigens and/or Products to Acumen. In the nine years subsequent to the termination of the collaboration with Merck, Acumen has controlled and directed and continues to control and direct prosecution of the licensed sabirnetug patent portfolio. Acumen has also paid for and continues to pay all costs and fees associated with the prosecution and maintenance of the licensed sabirnetug patent portfolio.

As of March 20, 2024, Acumen licenses from Merck one issued U.S. patent, 18 issued foreign patents including issued patents in Brazil, China, Canada, Australia, Japan, South Korea, France, Germany and the UK drawn to our product candidate, sabirnetug. These patents are projected to expire in July of 2031, without taking into account any possible extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

Throughout the development of our product candidate, we seek to identify additional means of obtaining patent protection that would potentially enhance commercial success, including by protecting inventions related to additional methods of use, processes of making, formulation, and dosing regimens.

Patent Term and Term Extensions

The terms of individual patents are determined based primarily on the date of filing of the patent application or the date of patent issuance and the legal term of patents in the countries in which they are obtained. Generally, utility patents issued for applications filed in the United States are granted a term of 20 years from the earliest effective filing date of a non-provisional patent application. In addition, in certain instances, the term of a U.S. patent can be extended to recapture a portion of the United States Patent and Trademark Office, or USPTO, delay in issuing the patent as well as a portion of the term effectively lost as a result of the FDA regulatory review period. However, as to the FDA component, the restoration period cannot be longer than five years and the restoration period cannot extend the patent term beyond 14 years from FDA

approval for the product covered by that patent. In addition, only one patent applicable to an approved drug may receive the extension, and the extension applies only to coverage for the approved drug, methods for using it and methods of manufacturing it, even if the claims cover other products or product candidate. Where one patent covers multiple products or product candidate, it may only receive an extension for one of the covered products; any extension related to a second product or product candidate must be applied to a different patent. The duration of foreign patents varies in accordance with provisions of applicable local law, but typically is also 20 years from the earliest effective filing date of a non-provisional patent application, such as a Patent Cooperation Treaty, or PCT, application. All taxes, annuities or maintenance fees for a patent, as required by the USPTO and various foreign jurisdictions, must be timely paid in order for the patent to remain in force during this period of time.

The actual protection afforded by a patent may vary on a product-by-product basis, from country to country, and can depend upon many factors, including the type of patent, the scope of its coverage, the availability of regulatory-related extensions and the availability of legal remedies in a particular country and the validity and enforceability of the patent.

Our patents and patent applications may be subject to procedural or legal challenges by others. We may be unable to obtain, maintain and protect the intellectual property rights necessary to conduct our business, and we may be subject to claims that we infringe or otherwise violate the intellectual property rights of others, which could materially harm our business. For more information, see the section titled “Risk Factors—Risks Related to Our Intellectual Property.”

Trademarks and Know-How

In connection with the ongoing development and advancement of our products and services in the United States and various international jurisdictions, we seek to create protection for our marks and enhance their value by pursuing trademarks and service marks where available and when appropriate. We rely upon know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, by using confidentiality agreements with our commercial partners, collaborators, employees and consultants, and invention assignment agreements with our employees and consultants. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed by our employees and through relationships with third parties. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our contractors, commercial partners, collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. For more information, see the section titled “Risk Factors-Risks Related to Our Intellectual Property.”

Government Regulation

The FDA and other regulatory authorities at federal, state, and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring, and post-approval reporting of biologics such as those we are developing. The process of obtaining regulatory approvals and the subsequent compliance with applicable federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources.

U.S. Biologics Regulation

In the United States, biological products are subject to regulation under the Federal Food, Drug, and Cosmetic Act, or FDCA, the Public Health Service Act, or PHSA, and other federal, state and local statutes and regulations. The process required by the FDA before biologics may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests and animal studies performed in accordance with the FDA’s Good Laboratory Practice requirements, or GLPs;
- submission to the FDA of an investigational new drug application, or IND, which must become effective before clinical trials may begin and must be updated annually and when certain changes are made;
- approval by an institutional review board, or IRB, or independent ethics committee at each clinical site before the trial is commenced;
- performance of adequate and well-controlled human clinical trials in accordance with Good Clinical Practices, or GCP, requirements and other clinical trial-related regulations to establish the safety, purity and potency of the proposed biologic product candidate for its intended purpose;

- preparation of and submission to the FDA of a biologics license application, or BLA, after completion of all pivotal clinical trials;
- payment of user fees for FDA review of the BLA;
- satisfactory completion of an FDA Advisory Committee review, if applicable;
- a determination by the FDA within 60 days of its receipt of a BLA to file the application for review;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facility or facilities at which the proposed product is produced to assess compliance with current Good Manufacturing Practices, or cGMPs, and to assure that the facilities, methods and controls are adequate to preserve the biological product's continued safety, purity and potency, and of selected clinical investigation sites to assess compliance with GCPs; and
- FDA review and approval of the BLA to permit commercial marketing of the product for particular indications for use in the United States.

Failure to comply with the applicable regulatory requirements at any time during the product development process or post-approval may subject an applicant to delays in development or approval, as well as administrative and judicial sanctions.

Preclinical and Clinical Trials

Prior to beginning the first clinical trial with a product candidate, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of chemistry, formulation and stability, as well as *in vitro* and animal studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to federal and state regulations and requirements, including GLP requirements for safety and toxicology studies. The results of the preclinical studies, together with manufacturing information and analytical data must be submitted to the FDA as part of an IND. An IND is a request for authorization from the FDA to administer an investigational new drug to humans. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin.

The FDA may, at any time during the initial 30-day IND review period, or while clinical trials are ongoing, impose a partial or complete clinical hold based on concerns for patient safety and/or noncompliance with regulatory requirements. This order issued by the FDA would delay a proposed clinical study or cause suspension of an ongoing study until all outstanding concerns have been adequately addressed, and the FDA has notified the company that investigations may proceed. Imposition of a clinical hold could cause significant delays or difficulties in completing planned clinical studies in a timely manner. Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the dosing procedures, subject selection and exclusion criteria, and the parameters and criteria to be used in monitoring safety and effectiveness. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any protocol and subsequent protocol amendments. Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. In addition, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk, that the trial is unlikely to meet its stated objectives or that the trial is not being conducted in accordance with FDA requirements. Some studies also include oversight by an independent group of qualified experts organized by the clinical study sponsor, known as a data safety monitoring board, or data monitoring committee, which provides authorization for whether or not a study may move forward at designated check points based on access to certain data from the study and may halt the clinical trial if it determines that there is an unacceptable safety risk to subjects or on other grounds, such as lack of efficacy.

Information about applicable clinical trials, including clinical trials results, must be submitted within specific timeframes for publication on the www.clinicaltrials.gov website.

IND sponsors must submit annual reports on the progress of investigations under the IND to FDA and submit IND safety reports when certain serious and unexpected adverse reactions and certain other safety issues occur.

In December 2022, with the passage of the Food and Drug Omnibus Reform Act, Congress added a requirement for sponsors to develop and submit a diversity action plan for each Phase 3 clinical trial or any other "pivotal study" of a new drug or biological product. Action plans must include the sponsor's goals for enrollment, the underlying rationale for those goals, and an explanation of how the sponsor intends to meet them. This requirement will apply with respect to clinical investigations for which enrollment commences 180 days after the publication of a final guidance by the FDA on diversity action plans. The statute directs FDA to issue new or revised draft guidance on diversity action plans by the end of 2023, and final guidance within 9 months of closing the comment period on such draft guidance. FDA has not yet published new or revised draft guidance.

For purposes of BLA approval, human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- Phase 1-The investigational product is initially introduced into a limited population of healthy human subjects or patients with the target disease or condition. These studies are designed to test the safety, dose response, absorption, metabolism and distribution of the investigational product in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness.
- Phase 2-The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.
- Phase 3-The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval. Generally, two adequate and well-controlled Phase 3 clinical trials are required by the FDA for approval of a BLA.

In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved. These trials are used to gain additional data from the treatment of patients in the intended therapeutic indication and are commonly intended to generate additional safety data regarding use of the product in a clinical setting. These so-called Phase 4 studies may also be made a condition to approval of the BLA.

Concurrent with clinical trials, companies may complete additional animal studies and develop additional information about the biological characteristics of the product candidate and must finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life and to identify appropriate storage conditions for the product candidate.

BLA Submission and Review by the FDA

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, the results of product development, nonclinical studies and clinical trials are submitted to the FDA as part of a BLA requesting approval to market the product for one or more indications. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety, purity and potency of the investigational biologic, to the satisfaction of the FDA. FDA approval of a BLA must be obtained before a biologic may be marketed in the United States. The submission of a BLA requires payment of a substantial application user fee to the FDA, unless a waiver or exemption applies.

Within 60 days following submission of the application, the FDA reviews a BLA submitted to determine if it is substantially complete before the FDA accepts it for filing. Once a BLA has been accepted for filing, the FDA's goal is to review standard applications within ten months after the filing date, or, if the application qualifies for priority review, six months after the FDA accepts the application for filing. In both standard and priority reviews, the review process may also be extended by FDA requests for additional information or clarification.

Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance

with cGMP and adequate to assure consistent production of the product within required specifications. Additionally, before approving a BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP and other requirements and the integrity of the clinical data submitted to the FDA.

After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the investigational product and/or its drug substance will be produced, the FDA may issue an approval letter or a Complete Response Letter, or CRL. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A CRL will describe all of the deficiencies that the FDA has identified in the BLA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the CRL without first conducting required inspections, testing submitted product lots, and/or reviewing proposed labeling. In issuing the CRL, the FDA may recommend actions that the applicant might take to place the BLA in condition for approval, including requests for additional information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied, require additional testing or information and/or require post-marketing testing and surveillance to monitor safety or efficacy of a product.

If regulatory approval of a product is granted, such approval will be granted for particular indications and may entail limitations on the indicated uses for which such product may be marketed. For example, the FDA may approve the BLA with a Risk Evaluation and Mitigation Strategy, or REMS, to ensure the benefits of the product outweigh its risks. A REMS is a safety strategy implemented to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling, the development of adequate controls and specifications, or the completion of post-marketing studies or surveillance programs.

Expedited Development and Review Programs

The FDA offers a number of expedited development and review programs for qualifying product candidates. These programs include Fast Track designation, Breakthrough Therapy designation, and priority review.

The Fast Track program is intended to expedite or facilitate the process for reviewing new products that are intended to treat a serious or life-threatening disease or condition and demonstrate the potential to address unmet medical needs for the disease or condition. Fast Track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a Fast Track product has opportunities for more frequent interactions with the applicable FDA review team during product development, in addition to the potential for rolling review of the BLA, meaning that the FDA may consider for review sections of the BLA on a rolling basis before the complete application is submitted, if the sponsor provides a schedule for the submission of the sections of the BLA, the FDA agrees to accept sections of the BLA and determines that the schedule is acceptable, and the sponsor pays any required user fees upon submission of the first section of the BLA.

A product candidate intended to treat a serious or life-threatening disease or condition may also be eligible for Breakthrough Therapy designation if preliminary clinical evidence indicates that the product candidate, alone or in combination with one or more other drugs or biologics, may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The designation includes all of the Fast Track program features, as well as more intensive FDA interaction and guidance beginning as early as Phase 1 and an organizational commitment to expedite the development and review of the product candidate, including involvement of senior managers and experienced review staff in a cross-disciplinary review, where appropriate.

Any marketing application for a drug or biologic submitted to the FDA for approval, including a product candidate with a Fast Track designation and/or Breakthrough Therapy designation, may be eligible for priority review. A product candidate is eligible for priority review if it is designed to treat a serious or life-threatening disease or condition, and if approved, would provide a significant improvement in safety or effectiveness compared to available alternatives for such disease or condition. For original BLAs, priority review designation means the FDA’s goal is to take action on the marketing application within six months of the 60-day filing date (as compared to ten months under standard review).

Fast Track designation, Breakthrough Therapy designation, and priority review do not change the standards for approval but may expedite the development or approval process. Even if a product candidate qualifies for one or more of these

programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened.

Accelerated approval pathway

The FDA may grant accelerated approval to a product candidate for a serious or life-threatening condition that provides meaningful therapeutic advantage to patients over existing treatments based on a determination that the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments.

As a condition of accelerated approval, the FDA will generally require the sponsor to perform adequate and well-controlled post-marketing clinical studies to verify and describe the anticipated effect on irreversible morbidity or mortality or other clinical benefit. Products receiving accelerated approval may be subject to expedited withdrawal procedures if the sponsor fails to conduct the required post-marketing studies or if such studies fail to verify the predicted clinical benefit. In addition, the FDA currently requires as a condition for accelerated approval pre-approval of promotional materials, which could adversely impact the timing of the commercial launch of the product. The Food and Drug Omnibus Reform Act of 2022, or FDORA, signed by President Biden on December 29, 2022 as part of the Consolidated Appropriations Act, 2023 (H.R. 2617) includes numerous reforms to the accelerated approval process for drugs and biologics and enables FDA to require, as appropriate, that a post-approval study be underway prior to granting accelerated approval. FDORA also expands the expedited withdrawal procedures already available to FDA to allow the agency to use expedited procedures if a sponsor fails to conduct any required post-approval study of the product with due diligence including with respect to "conditions specified by the Secretary [of HHS]." FDORA also adds the failure of a sponsor of a product approved under accelerated approval to conduct with due diligence any required post-approval study with respect to such product or to submit timely reports with respect to such product to the list of prohibited acts in the FDCA.

Orphan Drug Designation and Exclusivity

Under the Orphan Drug Act, the FDA may grant orphan drug designation, or ODD, to a drug or biologic intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 individuals in the United States and when there is no reasonable expectation that the cost of developing and making available the drug or biologic in the United States will be recovered from sales in the United States for that drug or biologic. ODD must be requested before submitting a BLA. After the FDA grants ODD, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA.

If a product that has received ODD subsequently receives the first FDA approval for that drug for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same biologic for the same indication for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or if the FDA finds that the holder of the orphan drug exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Orphan drug exclusivity does not prevent the FDA from approving a different drug or biologic for the same disease or condition, or the same drug or biologic for a different disease or condition. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the BLA application user fee.

Post-approval Requirements

Biologics are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to record-keeping, reporting of adverse experiences, periodic reporting, product sampling and distribution, and complying with advertising and promotion requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as "off-label use") and limitations on industry-sponsored scientific and educational activities. The FDA and other agencies actively enforce the laws and regulations applicable to biologics, including those prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability. Promotional materials for approved biologics must be submitted to the FDA in conjunction with their first use or first publication.

After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are continuing, annual program fees for any marketed products. Biologic

manufacturers and their subcontractors are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with ongoing regulatory requirements, including cGMP. Changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require prior FDA approval before being implemented. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP and other aspects of regulatory compliance.

The FDA may withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or product recalls;
- safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- fines, warning letters, or untitled letters;
- clinical holds on clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products;
- consent decrees, corporate integrity agreements, debarment or exclusion from federal healthcare programs;
- mandated modification of promotional materials and labeling and the issuance of corrective information; and
- the imposition of civil or criminal penalties.

United States Biosimilars and Exclusivity

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, signed into law in 2010, includes a subtitle called the Biologics Price Competition and Innovation Act, or BPCIA, which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. The FDA has issued several guidance documents outlining an approach to review and approval of biosimilars in the United States. Biosimilarity requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity, and potency. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product in any given patient and, for products that are administered multiple times to an individual, the biologic and the reference biologic may be alternated or switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

Under the BPCIA, a reference biological product is granted 12 years of data exclusivity from the time of first licensure of the product, and an application for a biosimilar product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing that applicant’s own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of its product. The BPCIA also created certain exclusivity periods for biosimilars approved as interchangeable products.

The BPCIA is complex and continues to be interpreted and implemented by the FDA. In addition, government proposals have sought to reduce the 12-year reference product exclusivity period. Other aspects of the Patient Protection and Affordable Care Act, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent

litigation. As a result, the ultimate impact, implementation, and regulatory interpretation of the BPCIA remain subject to significant uncertainty.

Other Healthcare Laws

Pharmaceutical companies are subject to additional healthcare regulation and enforcement by the federal government and by authorities in the states and foreign jurisdictions in which they conduct their business, which may constrain their business operations, including financial arrangements related to the research, marketing and distribution of drug products. Such laws include, without limitation, federal and state laws intended to prevent fraud and abuse in the healthcare industry, protect data privacy and security and promote transparency. Such laws include, without limitation, the following, some of which may apply to our operations only if and when we have a marketed product:

- the federal Anti-Kickback Statute, which prohibits, among other things, individuals or entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind in return for, or to induce, either the referral of an individual, or the purchase, lease, order or arrangement for or recommendation of the purchase, lease, order or arrangement for any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term “remuneration” has been broadly interpreted to include anything of value. A person does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly;
- the federal civil and criminal false claims laws, including, without limitation, the federal False Claims Act, or FCA, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent or knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA;
- the federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transfer or remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of services reimbursable to Medicare or a state health program, unless an exception applies;
- the federal Health Insurance Portability and Accountability Act, or HIPAA, which created additional federal criminal statutes which prohibit, among other things, a person from knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, also imposes obligations on “covered entities,” including certain healthcare providers, health plans, healthcare clearinghouses, and their respective “business associates,” if those business associates create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity as well as the business associates’ covered subcontractors, with respect to safeguarding the privacy, security and transmission of individually identifiable health information, as well as analogous state and foreign laws that govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts;
- the FDCA, which, among other things, strictly regulates drug product and medical device marketing, prohibits manufacturers from marketing such products for off-label use and regulates the distribution of samples;
- federal laws, such as the Medicaid Drug Rebate Program, that require pharmaceutical manufacturers to report certain calculated product prices to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under governmental healthcare programs;
- federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;

- the so-called federal “sunshine law” or Open Payments which requires manufacturers of drugs, devices, biologics, and medical supplies to report to the Centers for Medicare & Medicaid Services information related to payments and other transfers of value to teaching hospitals, physicians, and other healthcare practitioners, as well as ownership and investment interests held by physicians and their immediate family members; and
- analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non- governmental third-party payors, including private insurers, and state laws which regulate interactions between pharmaceutical companies and healthcare providers, require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, require pharmaceutical companies to report information on transfers of value to other healthcare providers, marketing expenditures or pricing information and/or require licensing or registration of sales representatives.

Given the breadth of the laws and regulations and narrowness of any exceptions, limited guidance for certain laws and regulations and evolving government interpretations of the laws and regulations, it is possible that some of our business activities could be subject to challenge under one or more of such laws. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant penalties, including, without limitation, civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participating in federal and state funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, diminished profits and future earnings, reputational harm and the curtailment or restructuring of our operations, any of which could harm our business.

Coverage and Reimbursement

The ability of a pharmaceutical company to successfully commercialize and achieve market acceptance of a product depends in significant part on adequate coverage and reimbursement from third-party payors, including government healthcare programs, such as the Medicare and Medicaid programs, and private entities, such as managed care organizations and private health insurers.

In the United States, no uniform policy of coverage and reimbursement for drug products exists among third-party payors. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved.

Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor’s determination that a procedure is safe, effective and medically necessary; appropriate for the specific patient; cost-effective; supported by peer-reviewed medical journals; included in clinical practice guidelines; and neither cosmetic, experimental nor investigational. To obtain or maintain coverage and reimbursement for any approved drug product, a pharmaceutical manufacturer may need to conduct expensive pharmacoeconomic studies or otherwise provide evidence to demonstrate to demonstrate the medical necessity and cost-effectiveness of our product. These studies will be in addition to the studies required to obtain or maintain regulatory approvals. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product or, if they do, the level of payment may not be sufficient to allow sale of a product at a profit.

Even if third party payors provide some coverage, the third-party payors may impose limits on the coverage or controls to manage utilization of products. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include all of the approved products for a particular indication and can exclude drugs from their formularies in favor of competitor drugs or alternative treatments. Payors may also impose step edits that require patients to try alternative, including generic, treatments before authorizing payment for our products, limit the types of diagnoses for which coverage will be provided, require pre-approval (known as “prior authorization”) for coverage of a

prescription for each patient (to allow the payor to assess medical necessity) or impose a moratorium on coverage for products while the payor makes a coverage decision.

Moreover, a third-party payor's decision to provide coverage for a product does not mean that an adequate reimbursement rate will be approved. A pharmaceutical company may be required to provide discounts or rebates to certain purchasers to obtain coverage under federal healthcare programs, or to sell products to government purchasers. A pharmaceutical company may also have to offer discounts or rebates to private third party payors to obtain favorable coverage. Adequate third-party reimbursement may not be available to enable a company to realize an appropriate return on an investment in product development .

The containment of healthcare costs has become a priority of federal and state governments, and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Adoption or enhancement of price controls and cost-containment measures could further limit a company's revenue generated from the sale of any approved products. Coverage policies and third-party payor reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company receives regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Healthcare Reform

In the United States and some foreign jurisdictions, there have been, and likely will continue to be, a number of legislative and regulatory healthcare reform initiatives directed at broadening the availability of healthcare, improving the quality of healthcare, and containing or lowering the cost of healthcare. These reform initiatives, if implemented, could impact our ability to sell a product candidate profitably if and when approved for marketing. For example, in 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, was enacted, which, among other things, subjected biologic products to potential competition by lower-cost biosimilars; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded prescription drugs; and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D. More generally, the ACA expanded health care coverage through Medicaid expansion and the implementation of the "individual mandate" for health insurance coverage.

Beyond the ACA, there have been ongoing health care reform efforts. Drug pricing and payment reform was a focus of the Trump Administration and has been a focus of the Biden Administration. For example, federal legislation enacted in 2021 eliminated the statutory cap on Medicaid drug rebate program rebates (currently set at 100% of a drug's "average manufacturer price") effective January 1, 2024. As another example, the Inflation Reduction Act of 2022, or IRA, includes a number of changes intended to address rising prescription drug prices in Medicare Parts B and D. These changes, which have varying implementation dates, include caps on Medicare Part D out-of-pocket costs, Medicare Part B and Part D drug price inflation rebates, a new Medicare Part D manufacturer discount drug program (replacing the ACA Medicare Part D coverage gap discount program) and a drug price negotiation program for certain high spend Medicare Part B and D drugs. The focus on health care reform, including reform of drug pricing and payment, has continued in the wake of the IRA. For example, in 2022, subsequent to the enactment of the IRA, the Biden administration released an executive order directing the HHS to report on how the Center for Medicare and Medicaid Innovation, or CMMI, could be leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries, which report proposed various models that CMMI is currently developing.

Healthcare reform efforts have been and may continue to be subject to scrutiny and legal challenge. For example, with respect to the ACA, tax reform legislation was enacted that eliminated the tax penalty established for individuals who do not maintain mandated health insurance coverage beginning in 2019 and, in 2021, the U.S. Supreme Court dismissed the latest judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. As another example, revisions to regulations under the federal anti-kickback statute would remove protection for traditional Medicare Part D discounts offered by pharmaceutical manufacturers to pharmacy benefit managers and health plans. Pursuant to court order, the removal was delayed and subsequent legislation imposed a moratorium on

implementation of the rule until January 2032. As another example, the IRA drug price negotiation program has been challenged in litigation filed by various pharmaceutical manufacturers and industry groups.

Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries, proposed and enacted legislation and executive orders issued by the prior presidential administration designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. Individual states in the United States have also become increasingly active in implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

General legislative cost control measures may also affect reimbursement for our product candidates. The Budget Control Act, as amended, resulted in the imposition of reductions in Medicare (but not Medicaid) payments to providers in 2013 and will remain in effect into 2032 unless additional Congressional action is taken. Any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs that may be implemented and/or any significant taxes or fees that may be imposed on us could have an adverse impact on our results of operations.

Adoption of new legislation at the federal or state level could affect demand for, or pricing of, any future products if approved for sale. We cannot, however, predict the ultimate content, timing or effect of any federal and state reform efforts. There is no assurance that federal or state health care reform will not adversely affect our future business and financial results.

Employees and Human Capital Resources

Our human capital objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. The principal purposes of our equity incentive plans are to attract, retain and reward personnel through the granting of stock-based compensation awards.

As of March 20, 2024, we had 52 employees, 51 of which were full time. Of the 52 employees, there were 36 in research and development and 16 in general and administrative functions. We also utilized consultants in various roles related to research and development and general and administrative functions. We believe our employee relations are good.

Corporate Information

We were incorporated under the laws of the State of Delaware in 1996. Our principal executive offices are located at 427 Park St., Charlottesville, Virginia 22902 and our telephone number is (434) 297-1000.

Available Information

Our website address is *http://www.acumenpharm.com/*. In addition to the information about us contained in this Annual Report on Form 10-K, information about us can be found on our website. Our website and information included in or linked to our website are not part of this Annual Report on Form 10-K.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge through our website as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. Additionally, the SEC maintains an internet site that contains reports, proxy and information statements and other information. The address of the SEC's website is *www.sec.gov*.

Item 1A. Risk Factors.

The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward-looking statements we have made in this Annual Report on Form 10-K and those we may make from time to time. You should carefully consider the risks described below, in addition to the other information contained in this Annual Report on Form 10-K and our other public filings. Our business, financial condition or results of operations could be harmed by any of these risks. The risks and uncertainties described below are not the only ones we face. Additional risks not presently known to us or other factors not perceived by us to present significant risks to our business at this time also may impair our business operations.

Risks Related to our Financial Position and Capital Needs

We are a clinical stage biopharmaceutical company with a limited operating history.

We are a clinical-stage biopharmaceutical company with a limited operating history focused on pioneering a novel disease-modifying therapeutic approach to treat Alzheimer's disease, or AD. We were incorporated in 1996 and were party to an exclusive license and research collaboration with Merck in 2003. Although we acquired the exclusive rights to sabirnetug from Merck in 2011, following Merck's strategic decision to focus its AD development efforts on a different product candidate, we did not recommence meaningful operations until we completed our first institutional fundraising in 2018. As a result, we have a very limited operating history, which may make it difficult to evaluate the success of our business to date and to assess our future viability. Drug development is a highly uncertain undertaking and involves a substantial degree of risk. We received clearance of our Investigational New Drug application, or IND, for our sole product candidate, sabirnetug, and initiated our Phase 1 clinical trial in the second quarter of 2021. In October 2021, we announced the initial dosing of the first patient in the INTERCEPT-AD trial and in February 2023 we announced the completion of enrollment. We announced topline data from INTERCEPT-AD in July 2023. We expect to initiate our Phase 2 clinical trial, ALTITUDE-AD, in the first half of 2024. We also expect to initiate a Phase 1 clinical trial investigating a subcutaneous dosing option of sabirnetug in mid-2024. We experienced delays in clinical trial site activation and patient enrollment for INTERCEPT-AD that we believe were principally related to effects of the COVID-19 pandemic. We cannot assure you that we will not experience additional delays in site activation or enrollment. To date, we have not yet initiated a pivotal trial, obtained marketing approval for any product candidate, manufactured a commercial scale product candidate, arranged for a third party to do so on our behalf or conducted sales or marketing activities necessary for successful product candidate commercialization. Our short operating history makes any assessment of our future success and viability subject to significant uncertainty. We will likely encounter risks and difficulties frequently experienced by early-stage biopharmaceutical companies in rapidly evolving fields, and we have not yet demonstrated an ability to overcome such risks and difficulties successfully. If we do not address these risks and difficulties successfully, our business will suffer.

We have no product candidates approved for commercial sale, we have never generated any revenue from product sales and we may never be profitable.

We have no product candidates approved for sale, have never generated any revenue from product sales, have never been profitable and do not expect to be profitable in the foreseeable future. We have incurred net losses in each year since our inception. For the years ended December 31, 2023 and 2022, our net losses were $52.4 million and $42.9 million, respectively. As of December 31, 2023, we had an accumulated deficit of $222.8 million.

To date, we have devoted most of our financial resources to the research and development of sabirnetug, including our nonclinical development activities of sabirnetug and our INTERCEPT-AD clinical trial, and corporate overhead. We expect that it will be several years, if ever, before we have a product candidate approved and ready for commercialization. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue our development of, and seek regulatory approvals for, sabirnetug and any other product candidate we may develop in the future, prepare for and begin the commercialization of any approved product candidates and add infrastructure and personnel to support our drug development efforts and operations as a public company. We anticipate that any such losses could be significant for the next several years. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital. Further, these net losses may fluctuate significantly from quarter-to-quarter or year-to-year. To become and remain profitable, we must develop and eventually commercialize sabirnetug or another drug with significant revenue.

We may never succeed in developing a commercial drug, and, even if we succeed in commercializing one or more product candidates, we may never generate revenues that are large enough to achieve profitability. In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown challenges. Because of these numerous risks and uncertainties, we are unable to accurately predict the timing or amount of increased expenses or when,

or if, we will be able to generate revenues or achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis, and we will continue to incur substantial research and development costs and other expenditures to develop and market additional product candidates.

We will require substantial additional funding to finance our operations, complete the development and commercialization of sabirnetug for AD and evaluate future product candidates. If we are unable to raise this funding when needed, we may be forced to delay, reduce or eliminate our drug development programs or other operations.

To date, we have used substantial amounts of cash to fund our operations, and we expect our expenses to increase substantially in the foreseeable future in connection with our ongoing activities, particularly as we continue the research and development, conduct clinical trials of, and seek marketing approval for, sabirnetug. Developing sabirnetug and conducting clinical trials for the treatment of AD and any other product candidates or indications that we may pursue in the future will require substantial amounts of capital. In addition, if we obtain marketing approval for sabirnetug or any future product candidates, we expect to incur significant commercialization expenses related to the commercialization of the product, whether we are commercializing alone or with a collaborator. Further, we expect to incur additional significant expenses associated with operating as a public company.

Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. As of December 31, 2023, we had $66.9 million in cash and cash equivalents and $239.2 million in marketable securities; included in this amount is the first tranche of $30.0 million that we received under our Loan and Security Agreement with K2 HealthVentures LLC, or the Loan Agreement, which was received on November 10, 2023. Based on our current operating plan, we believe that our existing cash and cash equivalents and marketable securities will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. In addition, changing circumstances may cause us to increase our spending significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may need to raise additional funds sooner than anticipated if we choose to expand more rapidly than we presently anticipate.

The amount and timing of our future funding requirements will depend on many factors, some of which are outside of our control, including but not limited to:

- the progress, costs, timing and results of ALTITUDE-AD and other potential clinical trials of sabirnetug, including for potential additional indications that we may pursue beyond AD;
- the requirements of the FDA and EMA, and comparable foreign regulatory authorities, for clinical trials and nonclinical studies and other work, for review and approval of sabirnetug for AD;
- the outcome, costs and timing of seeking and obtaining FDA, EMA and any other regulatory approvals;
- the number and characteristics of product candidates that we pursue;
- our ability to obtain sufficient quantities of our product candidates from our third-party manufacturers;
- our need to expand our research and development activities;
- the costs associated with securing and establishing commercialization capabilities if we were to elect to commercialize one or more products on our own;
- the economics and other terms, timing of and success of any collaboration, licensing or other arrangements into which we may enter for the commercialization of our products;
- the costs and other terms, timing and success, of acquiring, in-licensing or investing in businesses, product candidates and technologies;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to retain management and hire scientific and clinical personnel;
- the effect of competing drugs and product candidates and other market developments; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems.

Additional funding may not be available to us on acceptable terms or at all. Any such funding may result in dilution to stockholders, imposition of debt covenants and repayment obligations or other restrictions that may affect our business. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us. Any funds we raise may not be sufficient to enable us to continue to implement our long-term business strategy. Further, our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide. Additionally, escalation in interest rates, in conjunction with banking failures, may lead to financial institutions being more prudent with capital deployment and tightening lending. If we are unable to raise sufficient additional capital on a timely basis, we could be forced to curtail our planned operations and the pursuit of our business strategy, which would have a material adverse effect on the value of our common stock.

The terms of our Loan Agreement place restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our operating and financial flexibility.

In November 2023, we entered into the Loan Agreement with K2 HealthVentures LLC, or K2HV. At closing we borrowed $30.0 million in the first tranche under the Loan Agreement. We may borrow an additional $20.0 million under the Loan Agreement upon our request, subject to review by the lenders of certain information from the Company and discretionary approval by the lenders.

Our obligations under the Loan Agreement are secured by a security interest in substantially all of our assets, excluding the Company's intellectual property. The Loan Agreement includes customary affirmative and negative covenants, as well as standard events of default, including an event of default based on the occurrence of a material adverse event. The negative covenants include, among others, restrictions on us transferring collateral, incurring additional indebtedness, engaging in mergers or acquisitions, paying cash dividends or making other distributions, making investments, creating liens, selling assets and making any payment on subordinated debt, in each case subject to certain exceptions. These restrictive covenants could limit our flexibility in operating our business and our ability to pursue business opportunities that we or our stockholders may consider beneficial. In addition, K2HV could declare a default upon the occurrence of any event that it interprets could have material adverse effect, subject to the limitations specified in the Loan Agreement. Upon the occurrence and continuance of an event of default, K2HV may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement. Any declaration of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we are liquidated, the rights of our lenders to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. We may not have enough available cash or be able to raise additional funds through equity or debt financings to repay these outstanding obligations at the time any event of default occurs. Further, if we raise any additional capital through debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

We are exposed to interest rate risk under our Loan Agreement with K2HV, which could cause our debt service obligations to increase significantly.

We are exposed to market risk from changes in interest rates. Under the Loan Agreement with K2HV, our term loan facility bears a variable interest rate equal to the greater of (i) 9.65% and (ii) the sum of (A) the prime rate last quoted in The Wall Street Journal and (B) 1.15%. The Federal Reserve has recently raised, and may in the future further raise, interest rates to combat the effects of recent high inflation. An increase in interest rates by the Federal Reserve could cause the prime rate to increase, which could increase our debt service obligations. Significant increases in such obligations could have a negative impact on our financial position or operating results, including cash available for servicing our indebtedness, or result in increased borrowing costs in the future.

Risks Related to the Development of our Product Candidates

We are substantially dependent on the success of sabirnetug, our sole product candidate, which will require significant clinical testing before we can seek regulatory approval and potentially launch commercial sales, and which may not be successful in clinical trials, receive regulatory approval or be successfully commercialized, even if approved.

We are early in our development efforts. To date, we have invested substantially all of our efforts and financial resources in the research and development and INTERCEPT-AD Phase 1 clinical trial of sabirnetug, which is currently our only product candidate. Before seeking marketing approval from regulatory authorities for the sale of sabirnetug, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the drug in humans. We are not permitted to market or promote any product candidate before we receive regulatory approval from the FDA, or comparable foreign

regulatory authorities, and we may never receive such regulatory approval. We cannot be certain that sabirnetug will be successful in clinical trials. Further, sabirnetug may not receive regulatory approval even if it is successful in clinical trials. If we do not receive regulatory approvals for sabirnetug, we may not be able to continue our operations. Our prospects, including our ability to finance our operations and generate revenue, will depend entirely on the successful development, regulatory approval and commercialization of sabirnetug by us or by one or more of our partners. The clinical and commercial success of sabirnetug will depend on a number of factors, including the following:

- successful patient enrollment in INTERCEPT-AD, ALTITUDE-AD and other clinical trials of sabirnetug;
- sufficiency of our financial and other resources to complete the necessary clinical trials;
- the results from INTERCEPT-AD, ALTITUDE-AD and future clinical trials of sabirnetug;
- the frequency and severity of adverse effects related to sabirnetug;
- the ability of third-party manufacturers to manufacture supplies of sabirnetug and to develop, validate and maintain a commercial-scale manufacturing process that is compliant with current good manufacturing practices, or cGMP;
- our ability to demonstrate sabirnetug's safety and efficacy to the satisfaction of the FDA and foreign regulatory authorities in order to receive necessary marketing approvals for sabirnetug;
- whether we are required by the FDA to conduct additional clinical trials prior to the approval to market sabirnetug and whether the FDA may disagree with the number, design, size, conduct, implementation or other aspects of our clinical trials;
- whether the FDA may require implementation of a Risk Evaluation and Mitigation Strategy, or REMS, as a condition of approval or post-approval;
- our ability to successfully commercialize sabirnetug, if approved for marketing and sale by the FDA or foreign regulatory authorities, whether alone or in collaboration with others;
- our success in educating physicians and patients about the benefits, administration and use of sabirnetug;
- acceptance of sabirnetug as safe and effective by patients and the medical community;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments;
- achieving and maintaining compliance with all regulatory requirements applicable to sabirnetug, including any required post-marketing approval commitments;
- effectively competing with other AD therapies;
- the effectiveness of our own or any future collaborators' marketing, pricing, coverage and reimbursement, sales and distribution strategies and operations;
- our ability to maintain our existing patents and obtain newly issued patents that cover sabirnetug and to enforce such patents and other intellectual property rights in and to sabirnetug;
- our ability to avoid third-party intellectual property claims;
- the availability of third-party coverage and adequate reimbursement for sabirnetug and any other product candidates, once approved; and
- a continued acceptable safety, tolerability and efficacy profile of sabirnetug following approval.

Many of these factors are beyond our control. Accordingly, we cannot assure you that we will ever be able to generate revenue through the sale of sabirnetug. If we are not successful in commercializing sabirnetug, or are significantly delayed in doing so, our business will be materially harmed.

The FDA granted Fast Track designation for sabirnetug for the treatment of early AD, and we may seek Fast Track designation for other product candidates. Even if received, Fast Track designation may not actually lead to a faster review or approval process and does not increase the likelihood that our product candidates will receive marketing approval.

The FDA granted Fast Track designation for sabirnetug for the treatment of early AD in October 2022, and we may in the future seek Fast Track designation for any other product candidates we may develop. If a drug or biologic is intended for

the treatment of a serious or life-threatening condition and the product demonstrates the potential to address unmet medical needs for this condition, the sponsor may apply for FDA Fast Track designation for a particular indication. There is no assurance that the FDA will grant this status to any of our other product candidates. If granted, Fast Track designation makes a product eligible for more frequent interactions with FDA to discuss the development plan and clinical trial design, as well as rolling review of the application, which means that the company can submit completed sections of its marketing application for review prior to completion of the entire submission. Marketing applications of product candidates with Fast Track designation may qualify for priority review under the policies and procedures offered by the FDA, but the Fast Track designation does not assure any such qualification or ultimate marketing approval by the FDA. The FDA has broad discretion whether or not to grant Fast Track designation, so even if we believe a particular product candidate is eligible for this designation, there can be no assurance that the FDA would decide to grant it. Even if we do receive Fast Track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures, and receiving a Fast Track designation does not provide any assurance of ultimate FDA approval. In addition, the FDA may withdraw Fast Track designation at any time if it believes that the designation is no longer supported by data from our clinical development program.

We have concentrated our research and development efforts on the treatment of AD, a field that has to date seen very limited success in drug development.

We have focused our research and development efforts solely on developing effective treatments for AD. Collectively, efforts by pharmaceutical companies in the field of AD have seen limited successes in drug development. There are few approved products available for patients with AD.

Our future success is highly dependent on the successful development of sabirnetug for treating AD. The development and, if approved, commercialization of sabirnetug subjects us to a number of challenges, including ensuring that we select an effective dose of sabirnetug, executing appropriate clinical trials to test for safety and efficacy and obtaining regulatory approval from the FDA and other regulatory authorities. We cannot be sure that sabirnetug, or any other product candidate we develop, will ultimately prove to be safe and effective, scalable or profitable. Moreover, public perception of drug safety issues, including adoption of new therapeutics or novel approaches to treatment, may adversely influence the willingness of subjects to participate in clinical trials, or if approved, of physicians to prescribe novel treatments.

Our approach to the potential treatment of AD is based on a novel therapeutic approach, which exposes us to unforeseen risks.

There is no current scientific or general consensus on the causation of AD or method of action to treat AD. We have discovered and are developing sabirnetug, a humanized monoclonal antibody that selectively targets amyloid-beta oligomers, or AßOs, to treat AD. Our approach is based on research on AßOs, globular assemblies of the amyloid-beta, or Aß, peptide that are distinct from other forms of amyloid. AßOs have gained scientific acceptance as important toxins involved in the initiation and propagation of AD pathology. Based on the results of our nonclinical studies to date and our INTERCEPT-AD Phase 1 clinical trial, we believe sabirnetug represents a differentiated approach from current and prior anti-Aß/plaque immunotherapies because it is highly selective for soluble AßOs. We believe that sabirnetug is the most advanced immunotherapy candidate in development that was designed to selectively target AßOs. However, we may ultimately discover that sabirnetug does not possess properties required for therapeutic effectiveness. We may spend substantial funds attempting to develop sabirnetug or other product candidates and never succeed in doing so.

The market for any products that we successfully develop, if any, will also depend on the cost of the product. We do not yet have sufficient information to reliably estimate what it would cost to commercially manufacture sabirnetug, and the actual cost to manufacture sabirnetug or any drug we develop in the future could materially and adversely affect the commercial viability of the drug. We may also find that the manufacture of our product candidates is more difficult than anticipated, resulting in an inability to produce a sufficient amount of our product candidates for our clinical trials or, if approved, commercial supply. If we do not successfully develop sabirnetug, or no other drug we develop with drug product can be reliably and economically manufactured at scale, we will not become profitable, which would materially and adversely affect the value of our common stock.

Nonclinical and clinical drug development involves a lengthy, expensive and uncertain process. The results of nonclinical studies and early clinical trials are not always predictive of future results. Sabirnetug or any other product candidate that we advance into clinical trials may not achieve favorable results in later clinical trials, if any, or receive marketing approval.

The research and development of product candidates is extremely risky. Only a small percentage of product candidates that enter the development process ever receive marketing approval. Before obtaining marketing approval from regulatory

authorities for the sale of any product candidate, we must complete nonclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain.

The results of nonclinical studies and early clinical trials are not necessarily predictive of future results and sabirnetug, or any other product candidate that we may develop, may not be further developed or have favorable results in later studies or trials. Clinical trial failure may result from a multitude of factors including, but not limited to, flaws in study design, dose selection, placebo effect, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits. As such, failure in clinical trials can occur at any stage of testing. Similarly, the results of INTERCEPT-AD may not be predictive of the results of outcomes in our later-stage clinical trials. The results of clinical trials in one set of patients or disease indications may not be predictive of those obtained in another. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the dosing regimen and other clinical trial protocols and the rate of dropout among clinical trial participants. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety issues, notwithstanding promising results in earlier trials. This is particularly true in AD, where failure rates historically are higher than in most other disease areas.

In the event of negative or inconclusive results, we may decide, or regulatory authorities may require us, to conduct additional clinical trials or nonclinical studies. In addition, data obtained from clinical trials and nonclinical studies is susceptible to varying interpretations, and regulatory authorities may not interpret our data as favorably as we do, which may further delay, limit or prevent development efforts, clinical trials or marketing approval. Further, as more competing product candidates within a particular class of drugs proceed through clinical development to regulatory review and approval, the amount and type of clinical data that may be required by regulatory authorities may increase or change.

If we are unable to complete nonclinical studies or clinical trials of sabirnetug or future product candidates, due to safety concerns or otherwise, or if the results of these trials are not sufficient to convince regulatory authorities of their safety or efficacy, we will not be able to obtain marketing approval for commercialization on a timely basis or at all. Even if we are able to obtain marketing approval for sabirnetug or any future product candidates, those approvals may be for indications or dose levels that deviate from our desired approach or may contain other limitations that would adversely affect our ability to generate revenue from sales of those product candidates. Moreover, if we are not able to differentiate our product candidate against other approved product candidates within the same class of drugs, or if any of the other circumstances described above occur, our business would be harmed and our ability to generate revenue from that class of drugs would be severely impaired.

Clinical failure can occur at any stage of clinical development and we have never submitted a biologics license application, or BLA, or other marketing authorization application.

We are early in our development efforts for sabirnetug and will need to successfully complete our ongoing and planned clinical trials, including pivotal clinical trials, in order to obtain FDA approval to market sabirnetug or any other product candidate we seek to develop. Carrying out clinical trials and the submission of a successful BLA is a complicated process. Although members of the Acumen team have significant experience in clinical development of drugs through regulatory approval, as an organization, Acumen recently conducted its first clinical trial, had no previous experience in conducting any clinical trials, has limited experience in preparing regulatory submissions and has not previously submitted a BLA for any product candidate.

In addition, we have had limited interactions with the FDA and have received important feedback on the design of ALTITUDE-AD; however, we cannot be certain how many clinical trials of sabirnetug will be required or how such trials will be designed. Consequently, we may be unable to successfully and efficiently execute and complete necessary clinical trials in a way that leads to BLA submission and approval of sabirnetug or any other product candidate. We may require more time and incur greater costs than our competitors and we may not succeed in obtaining regulatory approvals of product candidates that we develop. Failure to commence or complete, or delays in, our planned clinical trials, could prevent us from or delay us in commercializing sabirnetug or any future product candidates we may develop, and failure to successfully complete any of these activities in a timely manner could have a material adverse impact on our business and financial performance.

We may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates, including:

- regulatory authorities, Institutional Review Boards, or IRBs, or Ethics Committees, or ECs, may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site or we may fail to reach a consensus with regulatory authorities on trial design; for example, our initial submission of the IND for sabirnetug was placed on clinical hold by the FDA until we were able to address the FDA's initial concerns regarding potential off-target binding of sabirnetug with an additional nonclinical tissue cross reactivity study, after which the FDA permitted us to initiate the Phase 1 clinical trial of sabirnetug in the second quarter of 2021;
- regulatory authorities in jurisdictions in which we seek to conduct clinical trials may differ from each other on our trial design, and it may be difficult or impossible to satisfy all such authorities with one approach;
- we may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different contract research organizations, or CROs, and trial sites;
- we may be unable to add or be delayed in adding a sufficient number of clinical trial sites and obtaining IRB or independent EC approval at each clinical trial site;
- clinical trials of our product candidates may fail to show safety or efficacy or otherwise produce negative or inconclusive results, and we may decide, or regulatory authorities may require us, to conduct additional clinical trials or abandon drug development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate;
- enrollment in our clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- difficulties in having subjects complete a clinical trial or returning for post-treatment follow-up;
- changes to clinical trial protocols;
- our third-party contractors, including clinical investigators, contract manufacturers and vendors may fail to comply with applicable regulatory requirements, lose their licenses or permits, or otherwise fail, or lose the ability to, meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend or terminate clinical trials of our product candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- regulatory authorities or IRBs may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements, a finding that our product candidates have undesirable side effects or other unexpected characteristics, or that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate, and we may lack adequate funding to initiate or continue one or more clinical trials;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- clinical trial sites may deviate from clinical trial protocol or drop out of a clinical trial; and
- occurrence of serious adverse events in trials of the same class of agents conducted by other companies.

Adverse side effects, properties or other safety risks associated with sabirnetug or any future product candidates could delay or preclude approval, cause us to suspend or discontinue clinical trials, abandon further development, limit the commercial profile of an approved label or result in significant negative consequences following marketing approval, if any.

As is the case with pharmaceuticals generally, it is possible that there may be side effects and adverse events associated with the use of sabirnetug or any future product candidates we may develop. Results of ALTITUDE-AD, or future clinical trials, could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics as the

clinical trials progress to greater exposures and a larger number of patients. Undesirable side effects caused by, or unexpected or unacceptable characteristics associated with, sabirnetug or any future product candidates we may develop, could result in the delay, suspension or termination of clinical trials by us, the FDA or other regulatory authorities, or IRBs for a number of reasons. We may also elect to limit their development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective, which may limit the commercial expectations for such product candidate, if approved. If we elect or are required to further delay, suspend or terminate any clinical trial of any product candidates we may develop, the commercial prospects of such product candidates will be harmed and our ability to generate drug revenues from any such product candidates will be delayed or eliminated.

It is possible that, as we test sabirnetug in INTERCEPT-AD, ALTITUDE-AD or future trials, or as the use of sabirnetug becomes more widespread if it receives regulatory approval, we may identify additional adverse events that were not identified or not considered significant in our earlier trials. If such side effects become later known in development or upon approval, if any, such findings may harm our business, financial condition, results of operations and prospects significantly. If we or others later identify undesirable side effects, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw, suspend or limit approval of sabirnetug or any future product candidates;
- we may be required to recall a drug or change the way such drug is administered to patients;
- regulatory authorities may require additional warnings or statements in the labeling, such as a boxed warning or a contraindication or issue safety alerts, press releases or other communications containing warnings or other safety information about the product candidate, for example, field alerts to physicians and pharmacies;
- regulatory authorities may require us to implement a REMS to ensure that the benefits of the drug outweigh its risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools;
- we may be required to change the way a drug is distributed or administered, conduct additional clinical trials or be required to conduct additional post-marketing studies or surveillance;
- we may be subject to regulatory investigations and government enforcement actions;
- we may decide to remove such product candidates from the market;
- we could be sued and held liable for harm caused to patients;
- sales of the drug may decrease significantly or sabirnetug or any future drug could become less competitive; and
- our reputation may suffer.

Any of these events could prevent us from achieving or maintaining market acceptance of sabirnetug or any future product candidates, if approved, and could significantly harm our business, financial condition, results of operations and prospects.

We have experienced and may continue to experience delays or difficulties in the enrollment and retention of patients in clinical trials, which could delay or prevent our receipt of necessary regulatory approvals.

Successful and timely completion of clinical trials will require that we enroll a sufficient number of patients. Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the patient population and competition for patients eligible for our clinical trials with competitors which may have ongoing clinical trials for product candidates that are under development to treat the same indications as one or more of our product candidates or approved products for the conditions for which we are developing our product candidates.

Trials may be subject to delays as a result of patient enrollment taking longer than anticipated or patient withdrawal. We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or foreign regulatory authorities. We cannot predict how successful we will be at enrolling subjects in future clinical trials. Throughout 2022, we experienced delays in clinical site initiation and patient enrollment that we believe were principally related to the effects of the COVID-19 pandemic. Although those enrollment delays were resolved, including through the addition of new clinical

trial sites, we may experience other enrollment delays in the future. Subject enrollment is affected by other factors including:

- the severity and difficulty of diagnosing the disease under investigation;
- the eligibility and exclusion criteria for the trial in question;
- the size of the patient population and process for identifying patients;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the design of the trial protocol;
- the perceived risks and benefits of the product candidate in the trial, including relating to cell therapy approaches;
- the availability of competing commercially available therapies and other competing therapeutic candidates' clinical trials for the disease or condition under investigation;
- the willingness of patients to be enrolled in our clinical trials;
- the efforts to facilitate timely enrollment in clinical trials;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- the proximity and availability of clinical trial sites for prospective patients.

Our inability to enroll a sufficient number of patients for clinical trials would result in significant delays and could require us to abandon one or more clinical trials altogether. The enrollment delays we experienced in our INTERCEPT-AD clinical trial resulted in increased development costs for the trial, including costs related to initiating additional trial sites, and any future enrollment delays we may experience in clinical trials of sabirnetug or any other product candidates we may develop may result in increased development costs for our product candidates, which would harm our business, financial condition and results of operations.

Further, we expect to rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials and we will have limited influence over their performance. Additionally, even if we are able to enroll a sufficient number of patients for our clinical trials, we may have difficulty maintaining enrollment of such patients in our clinical trials.

Interim, "topline" and preliminary results from our clinical trials that we announce or publish from time to time may change as more data become available and is subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publish interim, topline or preliminary results from our clinical trials. Interim results from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or topline results also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are reported. Differences between preliminary, topline or interim data and final data could significantly harm our business prospects and may cause the trading price of our common stock to fluctuate significantly. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the topline results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular development program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure. Any information we determine not to disclose may ultimately be deemed meaningful by you or others with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. If the interim, topline or preliminary data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to

obtain approval for, and commercialize, product candidates may be harmed, which could significantly harm our business prospects.

We cannot be certain that sabirnetug or any of our future product candidates will receive regulatory approval, and without regulatory approval we will not be able to market our product candidates.

We currently have no product candidates approved for sale and we cannot guarantee that we will ever have marketable product candidates. Sabirnetug is our sole product candidate and is designed for the treatment of AD. Our ability to generate revenue related to sales of sabirnetug, if ever, will depend on the successful development and regulatory approval of sabirnetug for the treatment of AD and, potentially, other indications.

The development of a product candidate and its approval and commercialization, including its design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, distribution, import and export are subject to extensive regulation by the FDA, the EMA and regulatory authorities in other countries, with regulations differing from country to country. We are not permitted to market our product candidates in the United States, Europe or other countries until we receive approval of a BLA from the FDA or MAA from the EMA, respectively. We have not submitted any marketing applications for sabirnetug.

BLAs and MAAs must include extensive nonclinical and clinical data and supporting information to establish the product candidate's safety and effectiveness for each desired indication. BLAs and MAAs must also include significant information regarding the chemistry, manufacturing and controls for the drug. Obtaining approval of a BLA or an MAA is a lengthy, expensive and uncertain process, and we may not be successful in obtaining approval. The FDA and the EMA review processes can take years to complete and approval is never guaranteed. If we submit a BLA to the FDA, the FDA must decide whether to accept or reject the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the FDA. Regulators of other jurisdictions, such as the EMA, have their own procedures for approval of product candidates.

Even if a drug is approved, the FDA or the EMA, as the case may be, may limit the indications for which the drug may be marketed, require extensive warnings on the drug labeling or require expensive and time-consuming clinical trials or reporting as conditions of approval. Regulatory authorities in countries outside of the United States and Europe also have requirements for approval of product candidates with which we must comply prior with marketing in those countries. Obtaining regulatory approval for marketing of a product candidate in one country does not ensure that we will be able to obtain regulatory approval in any other country. In addition, delays in approvals or rejections of marketing applications in the United States, Europe or other countries may be based upon many factors, including regulatory requests for additional analyses, reports, data, nonclinical studies and clinical trials, regulatory questions regarding different interpretations of data and results, changes in regulatory policy during the period of drug development and the emergence of new information regarding sabirnetug or other product candidates we may develop in the future. Also, regulatory approval for any of our product candidates may be withdrawn.

We have completed the INTERCEPT-AD Phase 1 clinical trial in patients with AD and expect to initiate a Phase 2 clinical trial in the first half of 2024. Before we submit a BLA to the FDA or an MAA to the EMA for sabirnetug for the treatment of patients with AD, we will be required to successfully complete at least one pivotal clinical trial. The FDA and the EMA generally expect two pivotal clinical trials to support approval, although a single pivotal trial may be allowed in certain circumstances. In addition, we must scale up manufacturing and complete other standard nonclinical and clinical studies. We cannot predict whether our current or future trials will be successful or whether regulators will agree with our plans or conclusions regarding the nonclinical studies and the clinical trials we conduct.

We may in the future conduct clinical trials for our product candidates outside the United States, and the FDA, EMA and other foreign regulatory authorities may not accept data from such trials.

We may in the future choose to conduct one or more of our clinical trials outside the United States, including in Europe. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA, EMA or applicable foreign regulatory authorities may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the United States population and United States medical practice; and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to current good clinical practice, or cGCP, regulations. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory bodies have similar approval requirements. In addition, such foreign trials would be subject to the

applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA, EMA or any other foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA, EMA or any applicable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in our product candidates not receiving approval or clearance for commercialization in the applicable jurisdiction.

We may not be successful in our efforts to build a pipeline of additional product candidates.

Our sole product candidate is sabirnetug. We may not be able to identify and successfully develop new product candidates in addition to sabirnetug. Even if we are successful in building our product pipeline, the potential product candidates that we identify may not be suitable for clinical development or, if deemed suitable for clinical development, successful in any clinical trials. For example, product candidates may be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be successfully developed, much less receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize product candidates, we will not be able to obtain product revenue in future periods, which would result in significant harm to our financial position and adversely affect our stock price.

If we do not achieve our projected development goals in the time frames we announce and expect, the commercialization of our products may be delayed.

From time to time, we may estimate the timing of the accomplishment of various scientific, clinical, regulatory, manufacturing and other product development goals, which we sometimes refer to as milestones. These milestones may include the commencement or completion of nonclinical studies and clinical trials and the submission of regulatory filings, including BLA submissions. From time to time, we may publicly announce the expected timing of some of these milestones. All of these milestones are, and will be, based on a variety of assumptions. The actual timing of these milestones can vary significantly compared to our estimates, in some cases for reasons beyond our control. We may experience numerous unforeseen events during, or as a result of, any future clinical trials that we conduct that could delay or prevent our ability to receive marketing approval or commercialize our product candidates.

We may develop sabirnetug and future product candidates for use in combination with other therapies, which could expose us to additional regulatory risks.

We may develop sabirnetug and future product candidates for use in combination with one or more other approved therapies for AD. Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risk that the FDA or comparable foreign regulatory authorities could revoke approval of the therapy used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. This could result in our own products being removed from the market or being less successful commercially.

Further, we will not be able to market and sell any product candidate we develop in combination with an unapproved AD therapy for a combination indication if that unapproved therapy does not ultimately obtain marketing approval either alone or in combination with our product. In addition, unapproved AD therapies face the same risks described with respect to our product candidates currently in development and clinical trials, including the potential for serious adverse effects, delay in their clinical trials and lack of FDA approval.

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

As product candidates proceed through nonclinical studies to late-stage clinical trials toward potential approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimize processes and product characteristics. For example, through our CMOs we plan to implement a larger scale sabirnetug manufacturing process with increased yields and at larger scale production levels. We are also developing a lyophilized drug product form and refrigeration-stable formulation as well.

Such changes carry the risk that they will not achieve our intended objectives. Any such changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commence sales and generate revenue. In addition, we may be required to make significant changes to our

upstream and downstream processes across our pipeline, which could delay the development of our future product candidates.

Risks Related to the Commercialization of Our Product Candidates

Even if sabirnetug or any other product candidate we may develop receives marketing approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

If sabirnetug or any other product candidate we may develop receives marketing approval, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant revenue and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our product candidates are licensed;
- the efficacy, safety and potential advantages compared to alternative treatments;
- our ability to demonstrate the advantages of our product candidates over other medicines;
- our ability to offer our products for sale at competitive prices;
- the convenience and ease of administration compared to alternative treatments;
- product labeling or product insert requirements of the FDA or other foreign regulatory authorities, including any limitations or warnings contained in a product's approved labeling, including any black box warning or REMS;
- the willingness of the target patient population to try new treatments and of physicians to prescribe these treatments;
- our ability to commercialize the product either in collaboration with a third party or on our own;
- the timing of market introduction of our product candidates as well as competitive products;
- the strength of marketing and distribution support;
- the availability of third-party coverage and adequate reimbursement for sabirnetug and any other product candidates, once approved;
- the prevalence and severity of any side effects; and
- any restrictions on the use of our products together with other medications.

If we are unable to enter into a commercial collaboration or, alternatively, establish internal sales, marketing and distribution capabilities for sabirnetug or any other product candidate that may receive regulatory approval, we may not be successful in commercializing those product candidates if and when they are approved.

We do not have sales or marketing infrastructure. To achieve commercial success for sabirnetug or any other product candidate for which we may obtain marketing approval, we will either need to establish a commercial collaboration with a pharmaceutical company that has a sales and marketing organization or we will be required to develop these capabilities internally. There are risks and limitations associated with entering into a commercial collaboration. For example, we may not be successful in entering into arrangements with third parties to sell, market and distribute our product candidates or may be unable to do so on terms that are favorable to us. Even if we are able to enter into a collaboration, our revenue and profitability, if any, are likely to be significantly lower than if we were able to successfully commercialize a product ourselves. In addition, we likely would have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively.

At the same time, there are significant risks associated with establishing our own sales, marketing and distribution capabilities. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This would be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to market our products on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians in order to educate physicians about our product candidates, once approved;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we do not establish sales, marketing and distribution capabilities successfully, either in collaboration with third parties or on our own, we will not be successful in commercializing our product candidates.

The affected populations for sabirnetug or any other product candidate we may develop may be smaller than we or third parties currently project, which may affect the addressable markets for our product candidates.

Our projections of the number of people who have AD, as well as the subset of people with AD who have the potential to benefit from treatment with sabirnetug, are estimates based on our knowledge and understanding of the disease. These estimates may prove to be incorrect and new studies may further reduce the estimated incidence or prevalence of the disease or narrow the universe of patients who would be understood to potentially benefit for treatment with sabirnetug, if approved. The number of patients in the United States, the European Union and elsewhere may turn out to be lower than expected, may not be otherwise amenable to treatment with our product candidates or patients may become increasingly difficult to identify and access, all of which would adversely affect our business, financial condition, results of operations and prospects. Further, even if we obtain approval for sabirnetug, the FDA or other regulators may limit their approved indications to more narrow uses or subpopulations within the populations for which we are targeting development of sabirnetug.

The total addressable market opportunity for our product candidates will ultimately depend upon a number of factors, including the diagnosis and treatment criteria included in the final label, if approved for sale in specified indications, acceptance by the medical community, patient access and product pricing and reimbursement. Incidence and prevalence estimates are frequently based on information and assumptions that are not exact and may not be appropriate, and the methodology is forward-looking and speculative.

The estimated incidence and prevalence ranges included in this Annual Report on Form 10-K have been derived from data from multiple sources, including scientific literature, surveys of clinics, patient foundations or market research, and may prove to be incorrect. Accordingly, the incidence and prevalence estimates included in this Annual Report on Form 10-K should be viewed with caution. Further, the data and statistical information used in this Annual Report on Form 10-K, including estimates derived from them, may differ from information and estimates made by our competitors or from current or future studies conducted by independent sources.

Off-label use or misuse of our products may harm our reputation in the marketplace, result in injuries that lead to costly product liability suits, and subject us to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with any product.

If sabirnetug or any other product candidate we develop is approved by the FDA, we may only promote or market our product candidate for its specifically approved indications and consistent with its approved labeling. We or any third-party collaborator responsible for commercialization of our products will train the marketing and sales forces responsible for our products against promoting them for uses outside of their approved indications for use, known as “off-label uses.” However, neither we nor any future commercial partner of ours will be able to prevent a physician from using our products off-label, when in the physician’s independent professional medical judgment, he or she deems it appropriate. Further, the use of our products for indications other than those approved by the FDA may not effectively treat such conditions. Any such off-label use of our product candidates could harm our reputation in the marketplace among physicians and patients. There may also be an increased risk of injury to patients if physicians attempt to use our products for these uses for which they are not approved, which could lead to product liability suits that that might require significant financial and management resources and that could harm our reputation.

Advertising and promotion of any product candidate that obtains approval in the United States will be heavily scrutinized by the FDA, the U.S. Federal Trade Commission, the Department of Justice, or DOJ, the Office of Inspector General of the U.S. Department of Health and Human Services, or HHS, state attorneys general, members of the U.S. Congress and the

public. Additionally, advertising and promotion of any product candidate that obtains approval outside of the United States will be heavily scrutinized by comparable foreign entities and stakeholders. Violations, including actual or alleged promotion of our products for unapproved or off-label uses, are subject to enforcement or warning letters, mandates to issue corrective information to healthcare practitioners, inquiries, investigations, injunctions and civil and criminal sanctions by the FDA, DOJ or comparable foreign bodies. The federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and as enjoined several companies from engaging in an off-label promotion.

We may pursue Breakthrough Therapy designation by the FDA. This designation may not actually lead to a faster development or regulatory review or approval process, and it does not assure FDA approval of any product candidates we may develop.

The FDA's Breakthrough Therapy designation program is intended to expedite the development of certain qualifying products intended for the treatment of serious diseases and conditions. While we may seek Breakthrough Therapy designation, there is no guarantee that we will be successful in obtaining this designation. Even if we do obtain Breakthrough Therapy designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. Breakthrough Therapy designation alone does not guarantee qualification for the FDA's priority review procedures. A Breakthrough Therapy designation does not ensure that the product candidate will receive marketing approval or that approval will be granted within any particular timeframe. In addition, the FDA may withdraw Breakthrough Therapy designation if it believes that the designation is no longer supported by data from our clinical development program.

We face significant competition in an environment of rapid technological and scientific change, and there is a possibility that our competitors may achieve regulatory approval before us or develop therapies that are safer or more effective than ours.

The development and commercialization of new drugs is highly competitive. Moreover, the AD field is characterized by strong competition and a strong emphasis on intellectual property. We may face competition with respect to any product candidates that we seek to develop or commercialize in the future from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide.

Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

If approved, sabirnetug will compete with therapies currently approved for the treatment of AD, which have primarily been developed to treat the symptoms of AD rather than the underlying cause of the disease, such as memantine and cholinesterase inhibitors. Sabirnetug may also compete with one or more potentially disease-modifying therapeutics that target Aß or amyloid plaques, including Eisai's Leqembi (lecanemab), which was given full approval by the FDA in July 2023. Also in July 2023, Centers for Medicare and Medicaid Services, or CMS, announced it would cover Leqembi when a physician and care team participates in a CMS-facilitated registry. The FDA issued a complete response letter to Eli Lilly and Company in January 2023 for the accelerated approval submission of donanemab. In May 2023, Eli Lilly announced results from its donanemab Phase 3 TRAILBLAZER-ALZ 2 trial, and expects regulatory action from the FDA on donanemab in 2024.

Other companies known to be developing therapies with Aß-, AßO-, and amyloid plaque-related targets include AbbVie Inc., Alnylam Pharmaceuticals, AltPep Corporation, Alzheon, Inc., Alzinova AB, BioArctic AB, Biogen Inc., Chugai Pharmaceutical Co. Ltd., Cognition Therapeutics, Inc., Eisai Co., Ltd., Eli Lilly and Company, Grifols, S.A., KalGene Pharmaceuticals, Inc., Neurimmune AG, Novartis AG, Priavoid GmbH, ProMIS Neurosciences, Inc., Prothena Biosciences, Inc., Roche Holding AG (including Genentech, its wholly owned subsidiary) Vaxxinity, Inc., Vivoryon Therapeutics N.V. and Wavebreak Therapeutics, Inc. Additionally, sabirnetug, if approved, may also compete with other potential therapies intended to address underlying causes of AD that are being developed by several companies, including AbbVie Inc., AC Immune SA, Alector, Inc., Anavex Life Sciences Corp., Annovis Bio, Inc., Athira Pharma, Inc., Biogen Inc., Biohaven Pharmaceuticals, Inc., Cassava Sciences, Inc., Denali Therapeutics, Inc., Eisai Co., Ltd., Johnson & Johnson (including Janssen, its wholly-owned subsidiary), H. Lundbeck A/S, Lighthouse Pharma, Roche Holding AG, and Takeda Pharmaceutical Co. Ltd.

Many of our current or potential competitors, either alone or with their strategic partners, have significantly greater financial resources and expertise in research and development, manufacturing, nonclinical testing, conducting clinical

trials, obtaining regulatory approvals and marketing approved product candidates than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize product candidates that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any product candidates that we may develop. Further, currently approved product candidates could be discovered to have application for treatment of AD, which could give such product candidates significant regulatory and market timing advantages over any of our product candidates. Our competitors also may obtain FDA or other regulatory approval for their product candidates more rapidly than we may obtain approval for ours from the FDA, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, product candidates or technologies developed by our competitors may render our potential product candidates uneconomical or obsolete, and we may not be successful in marketing any product candidates we may develop against competitors.

If our competitors market product candidates that are more effective, safer or less expensive than our product candidates, if approved, or that reach the market sooner than our product candidates, we may not achieve commercial success. In addition, the pharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or product candidates developed by our competitors may render our technologies or product candidates obsolete, less competitive or not economical.

Any product candidates for which we intend to seek approval as biologic products may face competition sooner than anticipated.

If we are successful in achieving regulatory approval to commercialize any biologic product candidate that we develop, such biologic product candidate may face competition from biosimilar products. In the United States, sabirnetug is, and we expect that any other product candidate we may seek to develop likely will be, regulated by the FDA as a biologic product subject to approval under the BLA pathway. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively, the ACA, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or the BPCIA, which created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, an application for a biosimilar product may not be submitted to the FDA until four (4) years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed by the FDA. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor's own nonclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product.

There is a risk that any of our product candidates approved as a biological product under a BLA would not qualify for the 12-year period of exclusivity or that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider our product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products will depend on a number of marketplace and regulatory factors that are still developing. If competitors are able to obtain marketing approval for biosimilars referencing our candidates, if approved, our products may become subject to competition from such biosimilars, with the attendant competitive pressure and potential adverse consequences.

The success of our product candidates will depend significantly on coverage and adequate reimbursement or the willingness of patients to pay for these therapies.

We believe our success depends on obtaining and maintaining coverage and adequate reimbursement from third-party payors for sabirnetug and any other product candidate we successfully develop, and the extent to which patients will be willing to pay out-of-pocket for such products, in the absence of reimbursement for all or part of the cost. In the United States and in other countries, patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. The availability of coverage and adequacy of reimbursement for our products by third-party payors, including government health care programs (e.g., Medicare, Medicaid, TRICARE), managed care providers, private health insurers, health maintenance organizations, and other organizations is essential for most patients to be able to afford medical services and pharmaceutical products such as our

product candidates. One payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage.

Third-party payors determine which products and procedures they will cover and establish reimbursement levels. Coverage may be more limited than the approved indication in the label; provided only if the specific conditions are met; or subject to measures to control utilization (such as a prior approval process for coverage). One payor's determination to provide coverage for a drug product does not assure that other payors will also provide coverage. Even if a third-party payor covers a particular product or procedure, the resulting reimbursement payment rates may not be adequate. Patients who are treated in-office for a medical condition generally rely on third-party payors to reimburse all or part of the costs associated with the procedure, including costs associated with products used during the procedure, and may be unwilling to undergo such procedures in the absence of such coverage and adequate reimbursement. Physicians may be unlikely to offer procedures for such treatment if they are not covered by insurance and may be unlikely to purchase and use our product candidates, if approved, for our stated indications unless coverage is provided and reimbursement is adequate. In addition, for products administered under the supervision of a physician, obtaining coverage and adequate reimbursement may be particularly difficult because of the higher prices often associated with such drugs.

Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that a procedure is safe, effective and medically necessary; appropriate for the specific patient; cost-effective; supported by peer-reviewed medical journals; included in clinical practice guidelines; and neither cosmetic, experimental nor investigational. Further, increasing efforts by third-party payors to limit healthcare costs may cause such payors to limit both coverage and the level of reimbursement for newly approved products and, as a result, payors may not cover or provide adequate payment for our product candidates. In order to secure coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain FDA or comparable regulatory approvals. Additionally, we may also need to provide discounts to purchasers, private health plans or government healthcare programs. Our product candidates may nonetheless not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit. We expect to experience pricing pressures from third-party payors in connection with the potential sale of any of our product candidates.

Decreases in third-party reimbursement for any product or a decision by a third-party payor not to cover a product could reduce physician usage and patient demand for the product and also have a material adverse effect on sales.

Foreign governments also have their own healthcare reimbursement systems, which vary significantly by country and region, and we cannot be sure that coverage and adequate reimbursement will be made available with respect to the treatments in which our products are used under any foreign reimbursement system.

There can be no assurance that sabirnetug or any other product candidate, if approved for sale in the United States or in other countries, will be considered medically reasonable and necessary, that the product candidate will be considered cost-effective by third-party payors, that coverage or an adequate level of reimbursement will be available or that reimbursement policies and practices in the United States and in foreign countries where our products are sold will not adversely affect our ability to sell our product candidates profitably, if they are approved for sale.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and will face an even greater risk if we commercially sell any products that we may develop. If we cannot successfully defend ourselves against claims that our product candidates or drugs caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or drugs that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards paid to trial participants or patients;

- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

Although we maintain product liability insurance coverage, such insurance may not be adequate to cover all liabilities that we may incur. We may need to increase our insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

We are subject to a variety of privacy and data security laws, and our failure to comply with them could harm our business.

We maintain a large quantity of sensitive information, including confidential business and personal information in connection with the conduct of our clinical trials and related to our employees, and we are subject to laws and regulations governing the privacy and security of such information. In the United States, there are numerous federal and state privacy and data security laws and regulations governing the collection, use, disclosure and protection of personal information, including federal and state health information privacy laws, federal and state security breach notification laws, and federal and state consumer protection laws. The legislative and regulatory landscape for privacy and data protection continues to evolve, and there has been an increasing focus on privacy and data protection issues, which may affect our business and is expected to increase our compliance costs and exposure to liability. In the United States, numerous federal and state laws and regulations could apply to our operations or the operations of our partners, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws and regulations (e.g., Section 5 of the Federal Trade Commission Act), that govern the collection, use, disclosure and protection of health-related and other personal information. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under the Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and regulations promulgated thereunder. Depending on the facts and circumstances, we could be subject to significant penalties if we obtain, use or disclose individually identifiable health information in a manner that is not authorized or permitted by HIPAA.

In addition, states are constantly adopting new laws or amending existing laws, requiring attention to frequently changing regulatory requirements. For example, California enacted the California Consumer Privacy Act, or CCPA, which took effect on January 1, 2020, became enforceable by the California Attorney General on July 1, 2020, and has been dubbed the first “GDPR-like” law in the United States. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing, receive detailed information about how their personal information is used by requiring covered companies to provide new disclosures to California consumers (as that term is broadly defined) and provide such consumers new ways to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. California has created a data privacy agency authorized to implement and enforce the CCPA, which could result in increased enforcement. Although the CCPA currently exempts certain health-related information, including clinical trial data, the CCPA may increase our compliance costs and potential liability. Other states have considered and/or enacted similar privacy laws, including Virginia, Connecticut, Colorado and Utah, which passed privacy laws that went into operation in 2023. Similar laws have been passed or are being considered in several other states, as well as at the federal and local levels. The evolving patchwork of differing state and federal privacy and data security laws increases the cost and complexity of operating our business and increases our exposure to liability. We will continue to monitor and assess the impact of these state laws, which may impose substantial penalties for violations, impose significant costs for investigations and compliance, and carry significant potential liability for our business.

Outside of the United States, data protection laws, including the E.U. General Data Protection Regulation, or the GDPR, which also forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/419), or the UK GDPR, also apply to certain of our operations. Legal requirements in many countries relating to the collection, storage, processing and transfer of personal data continue to evolve. The EU and UK GDPR impose, among other things, data protection requirements that include strict obligations and restrictions on the ability to collect, analyze and transfer personal data of individuals within the EU and UK, a requirement for prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances, and possible substantial fines for any violations. Companies that must comply with the EU and UK GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements and

potential fines for noncompliance of up to €20 million (£17.5 million) or 4% of the annual global revenues of the noncompliant company, whichever is greater. Other governmental authorities around the world are considering and, in some cases, have enacted, similar privacy and data security laws. Failure to comply with applicable data protection laws and regulations could result in government investigations and/or enforcement actions (which could include substantial civil and/or criminal penalties), private litigation and adverse publicity and could negatively affect our business, financial condition and results of operations.

Although we work to comply with applicable laws and regulations relating to data privacy and security, these requirements are evolving and may be modified, interpreted, and applied in an inconsistent manner from one jurisdiction to another and may conflict with one another or other legal obligations with which we must comply. Monitoring, preparing for and complying with the array of privacy and security legal regimes to which we are subject also requires us to devote significant resources, including, without limitation, financial and time-related resources. Moreover, many of the laws and regulations in this area are relatively new and their interpretations are uncertain and subject to change. Combined with the frequency with which new privacy and security laws are introduced globally, this means that we may be required to make changes to our operations or practices in an effort to comply with them. Such changes may increase our costs and reduce our net sales. We may also face inconsistent legal requirements across the various jurisdictions in which we operate, further raising both costs of compliance and likelihood that we will fail to satisfy all of our legal requirements. Any failure or perceived failure by us or our employees, representatives, contractors, consultants, collaborators, or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in additional cost and liability to us, damage our reputation, and adversely affect our business and results of operations.

If we or any contract manufacturers and suppliers we engage fail to comply with environmental, health, and safety laws and regulations, we could become subject to fines or penalties or incur costs that could seriously harm our business.

We and any contract manufacturers and suppliers we engage are subject to numerous federal, state and local environmental, health, and safety laws, regulations and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air and water; and employee health and safety. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third-party facilities. We also could incur significant costs associated with civil or criminal fines and penalties.

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research, product development and manufacturing efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty, and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended, which could seriously harm our business.

Risks Related to Our Dependence on Third Parties

We currently rely on CMOs to supply components of and manufacture sabirnetug. The loss of any of these CMOs or the failure of any of them to meet their obligations to us could affect our ability to develop sabirnetug in a timely manner.

We do not own or operate manufacturing facilities and rely on a limited number of CMOs to manufacture our product candidates. We have entered into agreements with third-party CMOs to manufacture sabirnetug and supply the Phase 1 and 2 clinical trial material, in compliance with applicable regulatory and quality standards. We intend to continue to rely on third-party CMOs to manufacture our clinical supply for the foreseeable future. Any replacement of a third-party CMO could require significant effort and expertise because there may be a limited number of qualified replacements. Any delays in obtaining adequate clinical supply that meets the necessary quality standards may delay our development or commercialization.

Our reliance on CMOs for manufacturing activities will reduce our control over these activities but will not relieve us of our responsibility to ensure compliance with all required regulations. Under certain circumstances, these CMOs may be entitled to terminate their engagements with us. If a CMO terminates its engagement with us, or does not successfully carry out its contractual duties, meet expected deadlines or manufacture sabirnetug or any other product candidate that we develop in accordance with regulatory requirements, or if there are disagreements between us and a CMO, we may not be able to complete, or may be delayed in completing, the clinical trials required for approval of sabirnetug or any other product candidate. In such instance, we may need to enter into an appropriate replacement third-party relationship, which may not be readily available or available on acceptable terms, which would cause additional delay or increased expense prior to the approval of sabirnetug or any future product candidate and would thereby have a negative impact on our business, financial condition, results of operations and prospects.

We may rely on additional third parties to manufacture ingredients of our product candidates in the future and to perform quality testing. Reliance on CMOs and other third-party service providers entails risks to which we would not be subject if we manufactured the product candidates ourselves, including:

- reduced control for certain aspects of manufacturing activities;
- termination or nonrenewal of the applicable manufacturing and service agreements in a manner or at a time that is costly or damaging to us;
- the possible breach by our third-party manufacturers and service providers of our agreements with them;
- the failure of our third-party manufacturers and service providers to comply with applicable regulatory requirements;
- disruptions to the operations of our third-party manufacturers and service providers caused by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or service provider; and
- the possible misappropriation of our proprietary information, including our trade secrets and know-how.

Any of these events could lead to clinical trial delays or failure to obtain regulatory approval, impact our ability to successfully commercialize any of our product candidates or otherwise harm our business, financial condition, results of operations, stock price and prospects. Some of these events could be the basis for FDA or other regulatory authority action, including injunction, recall, seizure or total or partial suspension of product manufacture.

We intend to rely on CROs and other third parties to conduct, supervise and monitor a significant portion of our research and nonclinical testing and clinical trials for sabirnetug or any future product candidates, and if those third parties do not successfully carry out their contractual duties, comply with regulatory requirements or otherwise perform satisfactorily, we may not be able to obtain regulatory approval or commercialize our product candidates, or such approval or commercialization may be delayed, and our business may be substantially harmed.

We intend to engage CROs and other third parties to conduct our planned nonclinical studies or clinical trials, including INTERCEPT-AD, ALTITUDE-AD and future clinical trials of sabirnetug, and to monitor and manage data. We expect to continue to rely on third parties, including clinical data management organizations, medical institutions and clinical investigators, in the future. Any of these third parties may terminate their engagements with us in accordance with the applicable contract, whether in the event of an uncured material breach or at any time for convenience. If any of our relationships with these third parties terminate, we may not be able to timely enter into arrangements with alternative third parties or to do so on commercially reasonable terms, if at all. Switching or adding CROs involves substantial cost and requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially impact our ability to meet our desired clinical development timelines. Though we intend to carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects.

In addition, any third parties conducting our clinical trials will not be our employees, and except for remedies available to us under our agreements with such third parties, we cannot control whether they devote sufficient time and resources to our clinical programs. If these third parties do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our product

candidates. Consequently, our results of operations and the commercial prospects for our product candidates would be harmed, our costs could increase substantially and our ability to generate revenue could be delayed significantly.

We rely on these parties for execution of our nonclinical studies and clinical trials and generally do not control their activities. Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with GCPs, which are standards for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. If we or any of our CROs or other third parties, including trial sites, fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, EMA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials complies with GCP regulations. In addition, our clinical trials must be conducted with product produced under cGMP conditions. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process, or may result in fines, adverse publicity and civil and criminal sanctions.

We also are required to register certain ongoing clinical trials and post the results of certain completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

In addition, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA. The FDA may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the trial. The FDA may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA and may ultimately lead to the denial of marketing approval for sabirnetug or any other product candidate we develop.

We also expect to rely on other third parties to store and distribute product supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential revenue.

If any of our third-party manufacturers encounter difficulties in production of sabirnetug or any future product candidate we develop, or fail to meet rigorously enforced regulatory standards, our ability to provide supply of our product candidates for clinical trials or, if approved, for commercial sale could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure.

The processes involved in manufacturing sabirnetug and any other product candidate we may develop are highly regulated and subject to multiple risks. As product candidates are developed through nonclinical studies to late-stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials. When changes are made to the manufacturing process, we may be required to provide preclinical and clinical data showing the comparable identity, strength, quality, purity or potency of the products before and after such changes. If microbial, viral or other contaminations are discovered at the facilities of our third-party manufacturers, such facilities may need to be closed for an extended period of time to investigate and remedy the contamination, which could delay clinical trials and adversely harm our business.

In order to conduct clinical trials of our product candidates, or supply commercial product candidates, if approved, we will need to manufacture them in both small and large quantities. We currently rely on third parties to manufacture sabirnetug for clinical trial purposes, and our manufacturing partners will have to modify and scale-up the manufacturing process when we transition to commercialization of our product candidates. Our manufacturing partners may be unable to successfully modify or scale-up the manufacturing capacity for any of our product candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If our manufacturing partners are unable to successfully scale-up the manufacture of our product candidates in sufficient quality and quantity, the development, testing and clinical trials of that product candidate may be delayed or become infeasible, and regulatory approval or commercial

launch of any resulting product may be delayed or not obtained, which could significantly harm our business. The same risks would apply to our internal manufacturing facilities, should we in the future decide to build internal manufacturing capacity. In addition, building internal manufacturing capacity would carry significant risks in terms of being able to plan, design and execute on a complex project to build manufacturing facilities in a timely and cost-efficient manner.

In addition, the manufacturing process for any product candidates that we may develop is subject to FDA, EMA and foreign regulatory requirements and continuous oversight, and we will need to contract with manufacturers who can meet all applicable FDA, EMA and foreign regulatory authority requirements, including complying cGMPs on an ongoing basis. If we or our third-party manufacturers are unable to reliably produce product candidates in accordance with the requirements of the FDA, EMA or other regulatory authorities, we may not obtain or maintain the approvals we need to commercialize such product candidates. Even if we obtain regulatory approval for any of our product candidates, there is no assurance that either we or our third-party contract manufacturers will be able to manufacture the approved product in accordance with the requirements of the FDA, EMA or other regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the product, or to meet potential future demand. Any of these challenges could delay completion of clinical trials, require bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidate, impair commercialization efforts, increase our cost of goods and have an adverse effect on our business, financial condition, results of operations and growth prospects. Significant non-compliance could also result in the imposition of sanctions, including warning or untitled letters, fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approvals for our product candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could damage our reputation and our business.

We will likely seek collaborations with third parties for the development and commercialization of sabirnetug or any future product candidates. If those collaborations are not successful, we may not be able to capitalize on the market potential of those product candidates, including sabirnetug.

We will likely seek third-party collaborators for the development and commercialization of sabirnetug and any of our future product candidates in the United States and may enter into collaboration agreements for the development and commercialization of any of our product candidates outside the United States. In the United States, commercialization partners are likely to include large biotechnology or pharmaceutical companies. Our likely collaborators outside the United States would most likely include regional and national pharmaceutical companies and biotechnology companies. If we enter into such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenue from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations involving our product candidates would pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development and commercialization of any product candidates that achieve regulatory approval or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborators' strategic focus or available funding, or external factors, such as an acquisition, that divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
- product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or drugs, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;

- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such products;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend our or their intellectual property rights or may use our or their proprietary information in such a way as to invite litigation that could jeopardize or invalidate such intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and
- collaborations may be terminated for the convenience of the collaborator and, if terminated, we could be required to raise additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. If any future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for any collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA, EMA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

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

We may be exposed to a variety of international risks that could materially adversely affect our business.

We may enter into agreements with third parties for the development and commercialization of product candidates in international markets. International business relationships will subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including:

- differing regulatory requirements for product approvals internationally;
- potentially reduced protection for intellectual property rights;
- potential third-party patent rights in countries outside of the United States;
- the potential for so-called "parallel importing," which is what occurs when a local seller, faced with relatively high local prices, opts to import goods from another jurisdiction with relatively low prices, rather than buying them locally;
- pricing pressure and differing reimbursement regimes:

- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, or political instability, particularly in non-U.S. economies and markets;
- compliance with tax, employment, immigration and labor laws for employees traveling abroad;
- taxes in other countries;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism, such as the ongoing war in Ukraine and the Israel-Hamas war, or natural disasters, including earthquakes, volcanoes, typhoons, pandemics, epidemics, floods, hurricanes and fires.

If we engage in acquisitions, we will incur a variety of costs and we may never realize the anticipated benefits of such acquisitions.

Although we currently have no plans to do so, we may attempt to acquire businesses, technologies or drug candidates that we believe are a strategic fit with our business. If we do undertake any acquisitions, the process of integrating an acquired business, technology or drug candidates into our business may result in unforeseen operating difficulties and expenditures, including diversion of resources and management's attention from our core business. In addition, we may fail to retain key executives and employees of the companies we acquire, which may reduce the value of the acquisition or give rise to additional integration costs. Future acquisitions could result in additional issuances of equity securities that would dilute the ownership of existing stockholders.

Future acquisitions could also result in the incurrence of debt, contingent liabilities or the amortization of expenses related to other intangible assets, any of which could adversely affect our operating results. In addition, we may fail to realize the anticipated benefits or synergies of any acquisition.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient intellectual property protection for our product candidate, and any other proprietary technologies we develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidate, and other proprietary technologies if approved, may be adversely affected.

Our commercial success will depend in part on our ability to obtain and maintain a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our product candidate, and other proprietary technologies we may develop. If we are unable to obtain or maintain patent protection with respect to our product candidate, and any other proprietary technologies we may develop, our business, financial condition, results of operations and prospects could be materially harmed.

The patent position of biotechnology and pharmaceutical companies is highly uncertain and involves complex legal, scientific and factual questions and has been the subject of frequent litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our patent applications may not result in patents being issued that protect our product candidate and other proprietary technologies we may develop or that effectively prevent others from commercializing competitive technologies and products. Further, no consistent policy regarding the breadth of claims allowed in pharmaceutical patents has emerged to date in the United States or in many jurisdictions outside of the United States. Changes in either the patent laws or interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property. Accordingly, we cannot predict the breadth of claims that may be enforced in the patents that may be issued from the applications we may own or license from third parties. Further, if any patents we obtain or license are deemed invalid and unenforceable, our ability to commercialize or license our technology could be adversely affected.

The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or any of our actual or potential future collaborators will be successful in protecting our product candidate and other proprietary technologies and their uses by obtaining, defending and enforcing patents. These risks and uncertainties include the following:

- the United States Patent and Trademark Office, or USPTO, and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process, the noncompliance with which can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- patent applications may not result in any patents being issued;
- issued patents may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable, or may otherwise not provide any competitive advantage;
- our competitors, many of whom have substantially greater resources than we do and many of whom have made significant investments in competing technologies, may seek or may have already obtained patents that will limit, interfere with, or eliminate our ability to make, use and sell our product candidate;
- other parties may have designed around our claims or developed technologies that may be related or competitive to ours, may have filed or may file patent applications and may have received or may receive patents that overlap or conflict with our patent applications and/or patents, either by claiming the same composition of matter, methods or formulations or by claiming subject matter that could dominate our patent position;
- any successful opposition to any patents owned by or licensed to us could deprive us of rights necessary for the practice of our technologies or the successful commercialization of any product candidate that we may develop;
- because patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we or our licensors were the first to file any patent application related to our product candidate and other proprietary technologies and their uses;
- an interference proceeding can be initiated by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of any application with an effective filing date before March 16, 2013;
- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns; and
- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop, and market competing product candidate in those countries.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute or maintain all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection for such output. In addition, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our inventions and the prior art allow our inventions to be patentable over the prior art. Further, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our product candidate and

other proprietary technologies and erode or negate any competitive advantage we may have, which could have a material adverse effect on our financial condition and results of operations. For example:

- others may be able to make compounds that are similar to our product candidate but that are not covered by the claims of our patents;
- we might not have been the first to file patent applications for these inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- any patents that we obtain may not provide us with any competitive advantages;
- we may not develop additional proprietary technologies that are patentable;
- our competitors might conduct research and development activities in countries where we do not have patent rights or where patent protection is weak and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we cannot ensure that we will be able to successfully commercialize our product candidate on a substantial scale, if approved, before the relevant patents that we own or license expire; or
- the patents of others may have an adverse effect on our business.

Others have filed, and in the future are likely to file, patent applications covering products and technologies that are similar, identical or competitive to ours or important to our business. We cannot be certain that any patent application owned by a third party will not have priority over patent applications filed or in-licensed by us, or that we or our licensors will not be involved in interference, opposition or invalidity proceedings before U.S. or non-U.S. patent offices.

We cannot be certain that claims in an issued patent covering our product candidate will be considered patentable by the USPTO, courts in the United States, or by patent offices and courts in foreign countries. Further, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property internationally.

The strength of patents in the biotechnology and pharmaceutical fields involves complex legal and scientific questions and can be uncertain. Patent applications that we file or in-license may fail to result in issued patents with claims that cover our product candidate in the United States or in foreign countries. Even if such patents do successfully issue, third parties may challenge the ownership, validity, enforceability, or scope thereof, which may result in such patents being narrowed, invalidated, or held unenforceable. Any successful opposition to our patents could deprive us of exclusive rights necessary for the successful commercialization of our product candidate. Further, even if they are unchallenged, our patents may not adequately protect our intellectual property, provide exclusivity for our product candidate or prevent others from designing around our claims. If the breadth or strength of protection provided by our patents with respect to our product candidate is threatened, it could dissuade companies from collaborating with us to develop, or threaten our ability to commercialize, our product candidate.

For U.S. patent applications in which claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our participation in an interference proceeding may fail and, even if successful, may result in substantial costs and distract our management and other employees.

For U.S. patent applications containing a claim not entitled to priority before March 16, 2013, there is a greater level of uncertainty in the patent law. In September 2011, the Leahy-Smith America Invents Act, or America Invents Act, was signed into law. The America Invents Act includes a number of significant changes to U.S. patent law, including provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. The USPTO is developing regulations and procedures to govern the administration of the America Invents Act, and many of the substantive changes to patent law associated with the America Invents Act, and in particular, the “first to file” provisions, were enacted on March 16, 2013. This will require us to be cognizant going forward of the time from invention to filing of a patent application and be diligent in filing patent applications, but circumstances could prevent us from promptly filing patent applications on our inventions. It remains unclear what impact the America Invents Act will have on the operation of our business.

As such, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business and financial condition.

Patent terms may be inadequate to protect our competitive position on our product candidate for an adequate amount of time.

The term of any individual patent depends on applicable law in the country where the patent is granted. In the United States, provided all maintenance fees are timely paid, a patent generally has a term of 20 years from its application filing date or earliest claimed non-provisional filing date. Extensions may be available under certain circumstances, but the life of a patent and, correspondingly, the protection it affords is limited. When the terms of all patents covering our product candidate expire, our business may become subject to competition from competitive products, including biosimilar version of our products.

Our product candidate is protected by patents covering the composition of matter and methods of using sabirnetug. The patents in this portfolio are expected to expire in 2031 without taking into account any possible extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees. We cannot be certain that we will file and, if filed, obtain patent protection for our product candidate beyond our rights in the current sabirnetug patent portfolio. If we are unable to obtain additional patent protection on sabirnetug, our primary protection from biosimilar market entry will be limited to regulatory biologic exclusivity.

If we do not obtain patent term extension for our product candidate our business may be materially harmed.

Depending upon the timing, duration, and specifics of any FDA marketing approval of our product candidate, one or more patents issuing from U.S. patent applications that we file or license may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, or Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent extension term, or PTE, of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. Similar patent term restoration provisions to compensate for commercialization delay caused by regulatory review are also available in certain foreign jurisdictions, such as in Europe under Supplemental Protection Certificate, or SPC. If we encounter delays in our development efforts, including our future clinical trials, the period of time during which we could market our product candidate under patent protection would be reduced. Additionally, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents, or otherwise fail to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or restoration, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our product will be shortened and our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced.

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties, or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

Licensing of intellectual property rights is of critical importance to our business and involves complex legal, business and scientific issues. Disputes may arise between us and our licensors regarding intellectual property rights subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property rights of the licensor that are not subject to the license agreement;
- our right to sublicense intellectual property rights to third parties under collaborative development relationships;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidate, and what activities satisfy those diligence obligations; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners.

If disputes over intellectual property rights that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms and/or to secure our rights to the licensed intellectual property, our business, results of operations, financial condition, and prospects may be adversely affected. We may enter into additional licenses in the future and, if we fail to comply with obligations under those agreements, we could suffer adverse consequences.

We were a party to a collaboration agreement with Merck to research, discover and develop certain technology related to amyloid beta-derived diffusible ligands, or ADDLs. This collaboration was initiated in 2003 and was later terminated by Merck in 2011. During the collaboration, sabirnetug, an ADDL-binding antibody, was developed and intellectual property was filed by Merck. Under the surviving provisions of the collaboration agreement, Merck exclusively licensed Merck's interest in patent rights claiming ADDL antibodies, ADDL antigens and/or products to Acumen. If a dispute were to arise in the future as to our rights to the intellectual property under the agreement, our ability to commercialize sabirnetug may be jeopardized.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent process. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on any issued patents and/or applications are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patents and/or applications. We have systems in place to remind us to pay these fees, and we employ outside counsel to pay these fees due to foreign patent agencies. While an inadvertent lapse may sometimes be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market with similar or identical products or technology earlier than should otherwise have been the case, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidate.

As is the case with other biotechnology and pharmaceutical companies, our success is heavily dependent on intellectual property, particularly on obtaining and enforcing patents. Our patent rights may be affected by developments or uncertainty in U.S. or foreign patent statutes, patent case law, USPTO rules and regulations or the rules and regulations of foreign patent offices. Obtaining and enforcing patents in the biotechnology and pharmaceutical industry involve both technological and legal complexity, and are therefore costly, time-consuming and inherently uncertain. In addition, the United States may, at any time, enact changes to U.S. patent law and regulations, including by legislation, by regulatory rule-making, or by judicial precedent, that adversely affect the scope of patent protection available and weaken the rights of patent owners to obtain patents, enforce patent infringement and obtain injunctions and/or damages. For example, the scope of patentable subject matter under 35 U.S.C. 101 has evolved significantly over the past several years as the Court of Appeals for the Federal Circuit and the Supreme Court issued various opinions, and the USPTO modified its guidance for practitioners on multiple occasions. Other countries may likewise enact changes to their patent laws in ways that adversely diminish the scope of patent protection and weaken the rights of patent owners to obtain patents, enforce patent infringement and obtain injunctions and/or damages.

Further, the United States and other governments may, at any time, enact changes to law and regulation that create new avenues for challenging the validity of issued patents. For example, the America Invents Act created new administrative post-grant proceedings, including post-grant review, inter partes review, and derivation proceedings that allow third parties to challenge the validity of issued patents. This applies to all of our U.S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

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

Patents are of national or regional effect. Filing, prosecuting and defending patents on our product candidate, and other proprietary technologies we develop in all countries throughout the world would be prohibitively expensive. In addition, the laws of some foreign countries do not protect intellectual property rights in the same manner and to the same extent as laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but enforcement of such patent protection is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

The requirements for patentability may differ in certain countries. For example, unlike other countries, China has a heightened requirement for patentability, and specifically requires a detailed description of medical uses of claimed drug. In India, unlike the United States, there is no link between regulatory approval for a drug and its patent status. In addition to India, certain countries in Europe and developing countries, including China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against government agencies or government contractors.

In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities.

Accordingly, our efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection, particularly those relating to biotechnology or pharmaceutical products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

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

We may be subject to claims that former employees (including former employees of our licensors), collaborators or other third parties have an interest in our patent rights, trade secrets, or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. For example, we may have inventorship disputes arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidate or as a result of questions regarding co-ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship and/or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business, financial condition, results of operations and prospects. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through in-licenses.

Presently we have intellectual property rights to our product candidate through a license from Merck. We also have an intellectual property license through a license with Northwestern University, or Northwestern, and, if this agreement

remains in place, we could be required to pay low single digit royalties to Northwestern in the future. We entered into a single product license agreement with Lonza Sales AG on November 2, 2022, for non-exclusive access to Lonza's glutamine synthetase gene expression system known as the GS System®, to use, develop and manufacture sabirnetug. Because our program may require the use of additional proprietary rights held by third parties, the growth of our business will likely depend in part on our ability to acquire, in-license or use these proprietary rights. In addition, our product candidate may require specific formulations to work effectively and efficiently and these rights may be held by others. We may be unable to acquire or in-license, on reasonable terms, proprietary rights related to any compositions, formulations, methods of use, processes or other intellectual property rights from third parties that we identify as being necessary for our product candidate. Even if we are able to obtain a license to such proprietary rights, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, we may be required to expend significant time and resources to develop or license replacement technology.

Where we obtain licenses from or collaborate with third parties, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain or enforce the patents, covering technology that we license from third parties, or such activities, if controlled by us, may require the input of such third parties. If any of our licensors or collaboration partners fail to prosecute, maintain and enforce such patents and patent applications in a manner consistent with the best interests of our business, including by payment of all applicable fees for patents covering our product candidate, we could lose our rights to the intellectual property or our exclusivity with respect to those rights, our ability to develop and commercialize our product candidate may be adversely affected and we may not be able to prevent competitors from making, using and selling competing products. In addition, even where we have the right to control patent prosecution of patents and patent applications we have licensed from third parties, we may still be adversely affected or prejudiced by actions or inactions of our licensors and their counsel that took place prior to the date upon which we assumed control over patent prosecution. We may also require the cooperation of our licensors and collaborators to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business, or in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such application.

Moreover, we will likely have obligations under our current or future licenses, including making royalty and milestone payments, and any failure to satisfy those obligations could give our licensor the right to terminate the license. Termination of a necessary license, or expiration of licensed patents or patent applications, could have a material adverse impact on our business. Our business would suffer if any such licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. Further, if any licenses terminate, or if the underlying patents fail to provide the intended exclusivity, competitors or other third parties may gain the freedom to seek regulatory approval of, and to market, products identical or similar to ours. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability.

The licensing and acquisition of third-party proprietary rights is a competitive area, and other companies, which may be more established or have greater resources than we do, may also be pursuing strategies to license or acquire third-party proprietary rights that we may consider necessary or attractive in order to commercialize our product candidate. More established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities.

For example, we have collaborated and may in the future collaborate with U.S. and foreign academic institutions to accelerate our preclinical research or development under written agreements with these institutions. Typically, these institutions provide us with an option to negotiate an exclusive license to any of the institution's proprietary rights in technology resulting from the collaboration. Regardless of such option to negotiate a license, we may be unable to negotiate a license within the specified time frame or under terms that are acceptable to us. If we are unable to do so, the institution may offer, on an exclusive basis, their proprietary rights to other parties, potentially blocking our ability to pursue our program. In addition, disputes may arise under our existing or future license agreements with these institutions or with other counterparties which may, among other things, lead to the termination or renegotiation of these agreements, or otherwise require us to incur significant financial obligations.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us, either on reasonable terms, or at all. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment, or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights on commercially reasonable terms, our ability to commercialize our products, and our business, financial condition, and prospects for growth, could suffer.

Third-party claims alleging intellectual property infringement may prevent or delay our drug discovery and development efforts.

Our success depends in part on our avoiding infringement of the patents and proprietary rights of third parties. There is a substantial amount of litigation, both within and outside the United States, involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including inter partes review, interference and reexamination proceedings before the USPTO, or oppositions and other comparable proceedings in foreign jurisdictions. The America Invents Act introduced new procedures including inter partes review and post grant review. The implementation of these procedures brings uncertainty to the possibility of challenges to our patents in the future and the outcome of such challenges. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our product candidate. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our activities related to our product candidate may give rise to claims of infringement of the patent rights of others.

The pharmaceutical and biotechnology industries have produced a proliferation of patents, and it is not always clear to industry participants, including us, which patents cover various types of products or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. We cannot assure you that any of our current or future product candidates will not infringe existing or future patents. We may not be aware of patents that have already issued that a third party might assert are infringed by one of our current or future product candidates.

Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents of which we are currently unaware with claims to materials, compositions, formulations, methods of manufacture or methods for treatment related to our product candidate, or the use or manufacture of our product candidate. Because patent applications can take many years to issue and may be confidential for 18 months or more after filing, there may be currently pending third-party patent applications which may later result in issued patents that our product candidate, and other proprietary technologies may infringe, or which such third parties claim are infringed by the use of our technologies. Parties making claims against us for infringement or misappropriation of their intellectual property rights may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidate. Defense of these claims, regardless of their merit, could involve substantial expenses and could be a substantial diversion of management and other employee resources from our business.

If we collaborate with third parties in the development of technology in the future, our collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation or potential liability. Further, collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability. In the future, we may agree to indemnify our commercial collaborators against certain intellectual property infringement claims brought by third parties.

Responding to any claims of patent infringement asserted by third parties would be time-consuming and could:

- result in costly litigation;
- divert the time and attention of our technical personnel and management;
- cause development delays;
- prevent us from commercializing our product candidate until the asserted patent expires or is finally held invalid, unenforceable, or not infringed in a court of law;
- require us to develop non-infringing technology, which may not be possible on a cost-effective basis;
- require us to pay damages to the party whose intellectual property rights we may be found to be infringing, which may include treble damages if we are found to have been willfully infringing such intellectual property;

- require us to pay the attorney's fees and costs of litigation to the party whose intellectual property rights we may be found to be willfully infringing; and/or
- require us to enter into royalty or license agreements, which may not be available on commercially reasonable terms, or at all.

If we are sued for patent infringement, we would need to demonstrate that our products or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do either. Proving invalidity or unenforceability is difficult. For example, in the United States, proving invalidity before federal courts requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we are successful in these proceedings, we may incur substantial costs and divert management's time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, which may not be available, defend an infringement action or challenge the validity or enforceability of the patents in court. Patent litigation is costly and time-consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid or unenforceable, we may incur substantial monetary damages, encounter significant delays in bringing our product candidate to market and be precluded from developing, manufacturing or selling our product candidate.

We do not always conduct independent reviews of pending patent applications of and patents issued to third parties. We cannot be certain that any of our or our licensors' patent searches or analyses, including but not limited to the identification of relevant patents, analysis of the scope of relevant patent claims or determination of the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States, Europe and elsewhere that is relevant to or necessary for the commercialization of our product candidate in any jurisdiction, because:

- some patent applications in the United States may be maintained in secrecy until the patents are issued;
- patent applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived;
- pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our product candidate or their uses;
- identification of third-party patent rights that may be relevant to our technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims;
- patent applications in the United States are typically not published until 18 months after the priority date; and
- publications in the scientific literature often lag behind actual discoveries.

Further, the scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history and can involve other factors such as expert opinion. Our interpretation of the relevance or the scope of claims in a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. Further, we may incorrectly determine that our technologies or product candidate are not covered by a third-party patent or may incorrectly predict whether a third party's pending patent application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or internationally that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our products or product candidate.

Our competitors may have filed, and may in the future file, patent applications covering technology similar to ours, and others may have or obtain patents or proprietary rights that could limit our ability to make, use, sell, offer for sale or import our product candidate or future products or impair our competitive position. Numerous third-party U.S. and foreign issued patents and pending patent applications exist in the fields in which we are developing our product candidate. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidate. Any such patent application may have priority over one of our patent applications, which could further require us to obtain rights to issued patents covering such technologies. If another party has filed a U.S. patent application on inventions similar to ours, we may have to participate in an interference proceeding declared by the USPTO to determine priority of invention in the United States. The costs of these proceedings could be substantial, and it is possible that such efforts would be unsuccessful if, unbeknownst to us, the other

party had independently arrived at the same or similar invention prior to our own invention, resulting in a loss of our U.S. patent position with respect to such inventions. Other countries have similar laws that permit secrecy of patent applications and may be entitled to priority over our applications in such jurisdictions.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations.

If a third party prevails in a patent infringement lawsuit against us, we may have to stop making and selling the infringing product, pay substantial damages, including treble damages and attorneys' fees if we are found to be willfully infringing a third party's patents, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure.

We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Further, even in the absence of litigation, we may need to obtain licenses from third parties to advance our research or allow commercialization of our product candidate. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize our product candidate, which could harm our business significantly. Even if we were able to obtain a license, the rights may be nonexclusive, which may give our competitors access to the same intellectual property.

We may be subject to claims that we have wrongfully hired an employee from a competitor or that we or our employees have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers.

As is common in the biotechnology and pharmaceutical industries, in addition to our employees, we engage the services of consultants to assist us in the development of our product candidate, and other proprietary technologies. Many of these consultants, and many of our employees, were previously employed at, or may have previously provided or may be currently providing consulting services to, other pharmaceutical companies including our competitors or potential competitors. We may become subject to claims that we, our employees or a consultant inadvertently or otherwise used or disclosed trade secrets or other information proprietary to their former employers or their former or current clients. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel, which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team and other employees.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming, and unsuccessful. Further, our issued patents could be found invalid or unenforceable if challenged in court, and we may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights.

Third parties including competitors may infringe, misappropriate or otherwise violate our patents, patents that may issue to us in the future, or the patents of our licensors that are licensed to us. To counter infringement or unauthorized use, we may need to or choose to file infringement claims, which can be expensive and time-consuming. We may not be able to prevent, alone or with our licensors, infringement, misappropriation, or other violation of our intellectual property, particularly in countries where the laws may not protect those rights as fully as in the United States, or if we require, but do not receive, the consent or cooperation of our licensors to enforce such intellectual property.

If we choose to go to court to stop another party from using the inventions claimed in our patents, that individual or company has the right to ask the court to rule that such patents are invalid, unenforceable, or should not be enforced against that third party for any number of reasons. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include an alleged failure to meet any of several statutory requirements for patentability, including lack of novelty, obviousness, lack of written description, indefiniteness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution, i.e., committed inequitable conduct. Third parties may also raise similar claims before the USPTO, even outside the context of litigation. Similar mechanisms for challenging the validity and enforceability of a patent exist in foreign patent offices and courts and may result in the revocation, cancellation, or amendment of any foreign patents we or our licensors hold now or in the future. The outcome following legal assertions of invalidity and unenforceability is unpredictable, and prior art could render our patents or those of our licensors invalid. If a defendant were to prevail on a

legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on such product candidate. Such a loss of patent protection would have a material adverse impact on our business.

Interference or derivation proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications or those of our licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms or at all, or if a non-exclusive license is offered and our competitors gain access to the same technology. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to conduct our future clinical trials, continue our research programs, license necessary technology from third parties, or enter into development or manufacturing partnerships that would help us bring our product candidate to market.

We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace. Even if resolved in our favor, litigation or other legal proceedings relating to our intellectual property rights may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, or distribution activities. Further, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Our ability to enforce our patent rights depends on our ability to establish standing in a court of competent jurisdiction. Whether a patent holder or licensee of a patent has standing can be uncertain and the considerations complex. However, if a licensor is required to be joined, and they are unwilling to do so, we may be unable to proceed with an infringement action.

Our ability to enforce our patent rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products and services. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product or service. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful.

Because of the expense and uncertainty of litigation, we may not be in a position to enforce our intellectual property rights against third parties.

Because of the expense and uncertainty of litigation, we may conclude that even if a third party is infringing our issued patent or patents that may issue from patent applications or other intellectual property rights, the risk-adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our stockholders. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non-litigious action or solution.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers, and/or other advisors, and inventions agreements with employees, consultants, and advisors, to protect our trade secrets and other proprietary information. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Despite these efforts, we cannot provide any assurances that all such agreements have been duly executed, and these agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. For example, the FDA, as

part of its Transparency Initiative, is currently considering whether to make additional information publicly available on a routine basis, including information that we may consider to be trade secrets or other proprietary information, and it is not clear at the present time how the FDA's disclosure policies may change in the future, if at all. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

In addition, such security measures may not provide adequate protection for our proprietary information, for example, in the case of misappropriation of a trade secret by an employee, consultant, customer, or third party with authorized access. Our security measures may not prevent an employee, consultant or customer from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products that we consider proprietary. Even though we use commonly accepted security measures, the criteria for protection of trade secrets can vary among different jurisdictions.

Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, third parties may still obtain this information or may come upon this or similar information independently, and we would have no right to prevent them from using that technology or information to compete with us. Trade secrets will over time be disseminated within the industry through independent development, the publication of journal articles, and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. Though our agreements with third parties typically restrict the ability of our advisors, employees, collaborators, licensors, suppliers, third-party contractors, and/or consultants to publish data potentially relating to our trade secrets, our agreements may contain certain limited publication rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Because from time to time we expect to rely on third parties in the development, manufacture, and distribution of our products and provision of our services, we must, at times, share trade secrets with them. Despite employing the contractual and other security precautions described above, the need to share trade secrets increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced and our competitive position would be harmed. If we do not apply for patent protection prior to such publication or if we cannot otherwise maintain the confidentiality of our proprietary technology and other confidential information, then our ability to obtain patent protection or to protect our trade secret information may be jeopardized.

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

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

Moreover, any names we may propose to use with our product candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. The FDA typically conducts a review of proposed product names, including an evaluation of potential for confusion with other product names. If the FDA (or an equivalent administrative body in a foreign jurisdiction) objects to any of our proposed proprietary product names, it may be required to expend significant additional resources in an effort to identify a suitable substitute name that would

qualify under applicable trademark laws, not infringe the existing rights of third parties, and be acceptable to the FDA. Similar requirements exist in Europe. Further, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

Intellectual property discovered through government funded programs may be subject to federal regulations such as "march-in" rights, certain reporting requirements and a preference for U.S.-based companies. Compliance with such regulations may limit our exclusive rights and limit our ability to contract with non-U.S. manufacturers.

Some of our patents may have been generated through the use of U.S. government funding, and we may acquire or license in the future intellectual property rights that have been generated through the use of U.S. government funding or grants. Pursuant to the Bayh-Dole Act of 1980, the U.S. government has certain rights in inventions developed with government funding. These U.S. government rights include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require us to grant exclusive, partially exclusive, or non-exclusive licenses to any of these inventions to a third party if it determines that: (1) adequate steps have not been taken to commercialize the invention; (2) government action is necessary to meet public health or safety needs; or (3) government action is necessary to meet requirements for public use under federal regulations (also referred to as "march-in rights"). If the U.S. government exercised its march-in rights in our existing or future intellectual property rights that are generated through the use of U.S. government funding or grants, we could be forced to license or sublicense intellectual property developed by us or that we license on terms unfavorable to us, and there can be no assurance that we would receive compensation from the U.S. government for the exercise of such rights. The U.S. government also has the right to take title to these inventions if the grant recipient fails to disclose the invention to the government or fails to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U.S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the United States. This preference for U.S. industry may be waived by the federal agency that provided the funding if the owner or assignee of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. industry may limit our ability to contract with non-U.S. product manufacturers for products covered by such intellectual property.

Risks Related to Legal and Regulatory Compliance Matters

Our business operations, including our relationships with healthcare providers, including physicians, third-party payors, patients, other customers or organizations in a position to influence current and future business are subject, directly or indirectly, to extensive regulation under healthcare laws. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

Our business operations and current and future arrangements with healthcare providers, including physicians, third-party payors, patients, other customers or other parties in a position to influence current and future business subject us to various federal and state fraud and abuse laws and other healthcare laws. These laws will impact, among other things, our current research activities and any future educational, promotional, and other activities related to the commercialization of any products we may market and the operation of our business generally. The laws that affect our operations, some of which may apply only if and when we have a marketed product include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, individuals or entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind in return for, or to induce, either the referral of an individual, or the purchase, lease, order or arrangement for or recommendation of the purchase, lease, order or arrangement for any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term "remuneration" has been

broadly interpreted to include anything of value. A person does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly;

- the federal civil and criminal false claims laws, including, without limitation, the federal False Claims Act, or FCA, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval that are false or fraudulent or knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA;

- the federal civil monetary penalties laws, which impose civil fines for, among other things, the offering or transfer or remuneration to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of services reimbursable to Medicare or a state health program, unless an exception applies;

- the federal Health Insurance Portability and Accountability Act, or HIPAA, which created additional federal criminal statutes which prohibit, among other things, a person from knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, and their implementing regulations, also imposes obligations on "covered entities," including certain healthcare providers, health plans, healthcare clearinghouses, and their respective "business associates," if those business associates create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity as well as the business associates' covered subcontractors, with respect to safeguarding the privacy, security and transmission of individually identifiable health information, as well as analogous state and foreign laws that govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts;

- the FDCA, which, among other things, strictly regulates drug product and medical device marketing, prohibits manufacturers from marketing such products for off-label use and regulates the distribution of samples;

- federal laws, such as the Medicaid Drug Rebate Program, that require pharmaceutical manufacturers to report certain calculated product prices to the government or provide certain discounts or rebates to government authorities or private entities, often as a condition of reimbursement under governmental healthcare programs;

- federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers;

- the so-called federal "sunshine law" or Open Payments which requires manufacturers of drugs, devices, biologics, and medical supplies to report to the Centers for Medicare & Medicaid Services information related to payments and other transfers of value to teaching hospitals, physicians, and other healthcare practitioners, as well as ownership and investment interests held by physicians and their immediate family members; and

- analogous state laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non- governmental third-party payors, including private insurers, and state laws which regulate interactions between pharmaceutical companies and healthcare providers, require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, require pharmaceutical companies to report information on transfers of value to other healthcare

providers, marketing expenditures or pricing information and/or require licensing or registration of sales representatives.

Given the breadth of the laws and regulations and narrowness of any exceptions, limited guidance for certain laws and regulations and evolving government interpretations of the laws and regulations, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant penalties, including, without limitation, civil, criminal and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participating in federal and state funded healthcare programs, such as Medicare and Medicaid, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, diminished profits and future earnings, reputational harm and the curtailment or restructuring of our operations, any of which could harm our business.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business.

Even if we obtain regulatory approval for sabirnetug or any future product candidates, they will remain subject to ongoing regulatory oversight, which may result in significant additional expense.

Even if we obtain regulatory approval for sabirnetug or any future product candidates, such product candidates will be subject to ongoing regulatory requirements applicable to research, development, testing, manufacturing, labeling, packaging, storage, advertising, promoting, sampling, record-keeping and submission of safety and other post-market information, among other things. Any regulatory approvals that we receive for sabirnetug or any future product candidates may also be subject to REMS, limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval or requirements that we conduct potentially costly post-marketing testing and surveillance studies, including Phase 4 trials and surveillance to monitor the quality, safety and efficacy of the drug. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing approval. We will further be required to immediately report any serious and unexpected adverse events and certain quality or production problems with our products to regulatory authorities along with other periodic reports. Any new legislation addressing drug safety issues could result in delays in product development or commercialization, or increased costs to assure compliance. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

In addition, drug manufacturers are subject to payment of user fees and continual review and periodic inspections by the FDA and other regulatory authorities for compliance with cGMP requirements and adherence to commitments made in the BLA or foreign marketing application. If we, or a regulatory authority, discover previously unknown problems with a product, such as adverse events of unanticipated severity or frequency, or problems with the facility where the product is manufactured or if a regulatory authority disagrees with the promotion, marketing or labeling of that drug, a regulatory authority may impose restrictions relative to that drug, the manufacturing facility or us, including requesting a recall or requiring withdrawal of the drug from the market or suspension of manufacturing.

If we fail to comply with applicable regulatory requirements following approval of sabirnetug or any future product candidates, a regulatory authority may:

- issue an untitled letter or warning letter asserting that we are in violation of the law;
- seek an injunction or impose administrative, civil or criminal penalties or monetary fines;
- issue a safety alert, Dear Healthcare Provider letter, press release or other communication containing warnings or safety information about the product;
- mandate corrections to promotional materials and labeling or issuance of corrective information;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;

- refuse to approve a pending marketing application or supplement to an approved application or comparable foreign marketing application (or any supplements thereto) submitted by us or our strategic partners;
- restrict the marketing or manufacturing of the drug;
- seize or detain the drug or otherwise require the withdrawal of the drug from the market;
- refuse to permit the import or export of products or product candidates; or
- refuse to allow us to enter into supply contracts, including government contracts.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our ability to commercialize sabirnetug or any future product candidates and harm our business, financial condition, results of operations and prospects.

Even if we obtain FDA or EMA approval for any of our product candidates in the United States or European Union, we may never obtain approval for or commercialize any of them in any other jurisdiction, which would limit our ability to realize their full market potential.

In order to market any products in any particular jurisdiction, we must establish and comply with numerous and varying regulatory requirements on a country-by-country basis regarding safety and efficacy.

Approval by the FDA in the United States or the EMA in the European Union does not ensure approval by regulatory authorities in other countries or jurisdictions. However, the failure to obtain approval in one jurisdiction may negatively impact our ability to obtain approval elsewhere. In addition, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country.

Approval processes vary among countries and can involve additional product testing and validation and additional administrative review periods. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that we intend to charge for our products is also subject to approval.

Seeking foreign regulatory approval could result in difficulties and increased costs for us and require additional nonclinical studies or clinical trials which could be costly and time consuming. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our products in those countries. We do not have any product candidates approved for sale in any jurisdiction, including in international markets, and we do not have experience in obtaining regulatory approval in international markets. If we fail to comply with regulatory requirements in international markets or to obtain and maintain required approvals, or if regulatory approvals in international markets are delayed, our target market will be reduced and our ability to realize the full market potential of any product we develop will be unrealized.

Healthcare legislative or regulatory reform measures may have a negative impact on our business and results of operations.

In the United States and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post-approval activities, and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. For example, in 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, was enacted, which, among other things, subjected biologic products to potential competition by lower-cost biosimilars; addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; increased the minimum Medicaid rebates owed by most manufacturers under the Medicaid Drug Rebate Program; extended the Medicaid Drug Rebate program to utilization of prescriptions of individuals enrolled in Medicaid managed care organizations; subjected manufacturers to new annual fees and taxes for certain branded

prescription drugs; and created a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D. More generally, the ACA expanded health care coverage through Medicaid expansion and the implementation of the "individual mandate" for health insurance coverage.

Beyond the ACA, there have been ongoing health care reform efforts. Drug pricing and payment reform was a focus of the Trump Administration and has been a focus of the Biden Administration. For example, federal legislation enacted in 2021 eliminated the statutory cap on Medicaid drug rebate program rebates (currently set at 100% of a drug's "average manufacturer price") effective January 1, 2024. As another example, the Inflation Reduction Act of 2022, or IRA, includes a number of changes intended to address rising prescription drug prices in Medicare Parts B and D. These changes, which have varying implementation dates, include caps on Medicare Part D out-of-pocket costs, Medicare Part B and Part D drug price inflation rebates, a new Medicare Part D manufacturer discount drug program (replacing the ACA Medicare Part D coverage gap discount program) and a drug price negotiation program for certain high spend Medicare Part B and D drugs. The focus on health care reform, including reform of drug pricing and payment, has continued in the wake of the IRA. For example, in 2022, subsequent to the enactment of the IRA, the Biden administration released an executive order directing the HHS to report on how the Center for Medicare and Medicaid Innovation, or CMMI, could be leveraged to test new models for lowering drug costs for Medicare and Medicaid beneficiaries, which report proposed various models that CMMI is currently developing.

Healthcare reform efforts have been and may continue to be subject to scrutiny and legal challenge. For example, with respect to the ACA, tax reform legislation was enacted that eliminated the tax penalty established for individuals who do not maintain mandated health insurance coverage beginning in 2019 and, in 2021, the U.S. Supreme Court dismissed the latest judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. As another example, revisions to regulations under the federal anti-kickback statute would remove protection for traditional Medicare Part D discounts offered by pharmaceutical manufacturers to pharmacy benefit managers and health plans. Pursuant to court order, the removal was delayed and subsequent legislation imposed a moratorium on implementation of the rule until January 2032. As another example, the IRA drug price negotiation program has been challenged in litigation filed by various pharmaceutical manufacturers and industry groups.

Moreover, there has recently been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries, proposed and enacted legislation and executive orders issued by the prior presidential administration designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. Individual states in the United States have also become increasingly active in implementing regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

General legislative cost control measures may also affect reimbursement for our product candidates. The Budget Control Act, as amended, resulted in the imposition of reductions in Medicare (but not Medicaid) payments to providers in 2013 and will remain in effect into 2032 unless additional Congressional action is taken. Any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs that may be implemented and/or any significant taxes or fees that may be imposed on us could have an adverse impact on our results of operations.
We expect that these and other reform measures that may be adopted in the future may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved drug. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our drugs. We cannot, however, predict the ultimate content, timing or effect of any federal and state reform efforts. There is no assurance that federal or state health care reform will not adversely affect our future business and financial results.

In addition, FDA regulations and guidance may be revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new regulations or guidance, or revisions or reinterpretations of existing regulations or guidance, may impose additional costs or lengthen FDA review times for sabirnetug or any other product candidate we may develop. We cannot determine how changes in regulations, statutes, policies or interpretations, when and if issued, enacted or adopted, may affect our business in the future. Such changes could, among other things, require:

- additional clinical trials to be conducted prior to obtaining approval;
- changes to manufacturing methods;
- recalls, replacements, or discontinuance of one or more of our products, and
- additional recordkeeping.

Such changes would likely require substantial time and impose significant costs, or could reduce the potential commercial value of sabirnetug or other product candidates, and could materially harm our business and our financial results. In addition, delays in receipt of or failure to receive regulatory clearances or approvals for any other products would harm our business, financial condition and results of operations.

Our business activities may be subject to the U.S. Foreign Corrupt Practices Act of 1977, or FCPA, and similar anti-bribery and anti-corruption laws.

Our business activities may be subject to the FCPA, U.S. domestic bribery statutes, and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we may operate, including the U.K. Bribery Act of 2010. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, hospitals are owned and operated by the government, and doctors and other hospital employees would be considered foreign officials under the FCPA. There is no certainty that all of our employees, agents, contractors or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of our facilities, implementation of compliance programs and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our product candidates in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results and financial condition.

Our employees, independent contractors, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading, which could significantly harm our business.

We are exposed to the risk of fraud or other misconduct by our employees, independent contractors, consultants, commercial partners and vendors. Misconduct by these parties could include intentional failures to comply with the regulations of the FDA and non-U.S. regulators, provide accurate information to the FDA and non-U.S. regulators, comply with health care fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

Our business and operations would suffer in the event of computer system failures, cyberattacks or a deficiency in our cybersecurity or a natural disaster.

There are growing risks related to the security, confidentiality and integrity of personal and corporate information stored and transmitted electronically due to increasingly diverse and sophisticated threats to networks, systems and data security. Potential attacks span a spectrum from attacks by criminal hackers, hacktivists, and nation state or state-sponsored actors, to employee malfeasance and human or technological error. Cyberattacks against companies like ours have increased in frequency and potential harm over time, and the methods used to gain unauthorized access constantly evolve, making it increasingly difficult to anticipate, prevent, and/or detect incidents successfully in every instance. In addition, many of our

employees work remotely, which may increase our vulnerability to cyber and other information technology risks. We are required to expend significant resources in an effort to protect against security incidents and may be required or choose to spend additional resources or modify our business activities, particularly where required by applicable data privacy and security laws or regulations or industry standards.

Despite the implementation of security measures, our internal computer systems, and those of third parties on which we rely (including our vendors, contractors and other third-party partners who process information on our behalf or have access to our systems), are vulnerable to damage from computer viruses, malware, ransomware, phishing attacks and other forms of social engineering, denial-of-service attacks, third party or employee theft or misuse and other negligent actions, natural disasters, terrorism, war, telecommunication and electrical failures, cyberattacks or cyber-intrusions over the Internet, security incidents, disruptions, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed, ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach was to result in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur material legal claims (including class claims) and liability, substantial remediation costs, regulatory enforcement, liability under data protection laws, additional reporting requirements and damage to our reputation, and the further development of our product candidates could be delayed.

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

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include general liability, products liability and directors' and officers' insurance. We do not know, however, if we will be able to maintain insurance with adequate levels of coverage. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of sabirnetug or any other product candidate. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations.

Risks Related to Employee Matters and Managing our Growth

We will need to expand our operations and increase the size of our company, and we may experience difficulties in managing growth.

As we advance sabirnetug through clinical development, and potentially expand the number of our drug development programs, we will need to increase our drug development, scientific and administrative headcount to manage these programs. In addition, to meet our obligations as a public company, we will need to increase our general and administrative capabilities. Our management, personnel and systems currently in place may not be adequate to support this future growth. Our need to effectively manage our operations, growth and various projects requires that we:

- successfully attract and recruit new employees or consultants with the expertise and experience we will require;
- manage our clinical programs effectively, including at numerous clinical sites;
- develop a marketing and sales infrastructure; and
- continue to improve our operational, financial and management controls, reporting systems and procedures.

If we are unable to successfully manage this growth and increased complexity of operations, our business may be adversely affected.

We may not be able to manage our business effectively if we are unable to attract and retain key personnel and consultants.

We may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses. If we are not able to attract and retain necessary personnel and consultants to accomplish our business

objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy.

Our industry has experienced a high rate of turnover of management personnel in recent years. We are highly dependent on the research and development, clinical, regulatory and business development expertise of Daniel O'Connell, our Chief Executive Officer, James Doherty, our President and Chief Development Officer, Matthew Zuga, our Chief Financial Officer and Chief Business Officer, Eric Siemers, M.D., our Chief Medical Officer, and Russell Barton, our Chief Operating Officer. If we lose the services of any of these individuals, our ability to implement our business strategy successfully could be seriously harmed. Any of our executive officers or key employees or consultants may terminate their employment at any time. Replacing executive officers, key employees and consultants may be difficult and may take an extended period because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of and commercialize product candidates successfully. Competition to hire and retain employees and consultants from this limited pool is intense, and the risks to attracting and retaining key personnel may be exacerbated by inflationary pressures on employee wages and benefits. As a result, we may be unable to effectively hire, train, retain or motivate these additional key personnel and consultants. Our failure to retain key personnel or consultants could materially harm our business.

We have scientific and clinical advisors and consultants who assist us in formulating our research, development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. Non-compete agreements are not permissible or are limited by law in certain jurisdictions and, even where they are permitted, these individuals typically will not enter into non-compete agreements with us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. In addition, our advisors may have arrangements with other companies to assist those companies in developing product candidates or technologies that may compete with ours.

If we fail to build our finance infrastructure and improve our accounting systems and controls, we may be unable to comply with the financial reporting and internal controls requirements for publicly traded companies.

As a public company, we operate in an increasingly demanding regulatory environment, which requires us to comply with the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, the rules and regulations of Nasdaq Global Select Market, or Nasdaq, the rules and regulations of the SEC, expanded disclosure requirements, accelerated reporting requirements and more complex accounting rules. Company responsibilities required by the Sarbanes-Oxley Act include establishing corporate oversight and adequate internal control over financial reporting and disclosure controls and procedures. Effective internal controls are necessary for us to produce reliable financial reports and are important to help prevent financial fraud. We must perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. Further, as an emerging growth company, our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404 until the date we are no longer an emerging growth company and are an accelerated filer. At such time, our independent registered public accounting firm may issue a report that is adverse in the event that it is not satisfied with the level at which the controls of we have documented, designed or under which we operate.

The process of building our accounting and financial functions and systems has required and will continue to require significant additional professional fees, internal costs and management efforts. For example, we currently do not have an internal audit group, and we may need to hire additional accounting and financial staff to maintain effective internal control over financial reporting. We currently rely on consultants or external service providers to assist with our financial reporting and certain technical aspects thereof, and to provide services related to our finance function to supplement our internal staff, including with respect to our accounts payable, account reconciliations, and the evaluation and documentation of our system of internal controls functions. Any disruptions or difficulties in maintaining or expanding our internal financial staff or the services provided by outside consultants or financial service providers, or in implementing or using our accounting and financial functions and infrastructure, could adversely affect our system of internal controls and harm our business. Moreover, such disruption or difficulties could result in unanticipated costs and diversion of management attention. In addition, we may discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our financial statements. Our internal control 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.

We cannot be certain that the measures we have taken to date, and actions we may take in the future, will prevent or avoid potential future material weaknesses. If we are unable to successfully remediate any future material weaknesses in our internal control over financial reporting, if we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements and we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports. If we cannot provide reliable financial reports or prevent fraud, our business and results of operations could be harmed, investors could lose confidence in our reported financial information and our stock price could decline as a result, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities.

Risks Related to Ownership of our Common Stock and our Status as a Public Company

An active trading market for our common stock may not continue to be developed or sustained.

Prior to our initial public offering, there was no public market for our common stock. Although our common stock is listed on The Nasdaq Global Select Market, an active trading market for our shares may never develop or be sustained. If an active market for our common stock does not develop or is not sustained, it may be difficult for you to sell shares of our common stock at an attractive price or at all. An inactive market may also impair our ability to raise capital to continue to fund our operations by selling our common stock and may impair our ability to acquire other companies or technologies by using our common stock as consideration.

The trading price of the shares of our common stock may be volatile, and purchasers of our common stock could incur substantial losses.

Our stock price may be volatile. From July 1, 2021, the date our stock began trading on Nasdaq, through March 20, 2024, our stock price fluctuated from a low of $1.87 to a high of $26.98. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. 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 many factors, including:

- the commencement, enrollment or results of our clinical trials, including INTERCEPT-AD, ALTITUDE-AD and any future clinical trials we may conduct, or changes in the development status of our product candidates;
- any delay in our regulatory filings for sabirnetug or any other product candidate we may develop, and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- delays in, or termination of, clinical trials;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- unanticipated serious safety concerns related to the use of sabirnetug or any other product candidate we develop;
- changes in financial estimates by us or by any equity research analysts who might cover our stock;
- conditions or trends in our industry;
- changes in the market valuations of similar companies;
- announcements by our competitors of new product candidates or technologies, or the results of clinical trials or regulatory decisions;
- stock market price and volume fluctuations of comparable companies and, in particular, those that operate in the biopharmaceutical industry;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- announcements by us or our competitors of significant acquisitions, strategic partnerships or divestitures;
- our relationships with our collaborators;
- announcements of investigations or regulatory scrutiny of our operations or lawsuits filed against us;

- investors' general perception of our company and our business;
- recruitment or departure of key personnel;
- overall performance of the equity markets;
- trading volume of our common stock;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- changes in the structure of healthcare payment systems;
- general political and economic conditions; and
- other events or factors, many of which are beyond our control.

The stock market in general, and Nasdaq and biotechnology companies listed on Nasdaq in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies, which have resulted in decreased stock prices for many companies notwithstanding the lack of a fundamental change in their underlying business models or prospects. Broad market and industry factors, including potentially worsening economic conditions and other adverse effects or developments may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this section, could have a significant and material adverse impact on the market price of our common stock.

In addition, in the past, stockholders have initiated class action lawsuits against pharmaceutical and biotechnology companies following periods of volatility in the market prices of these companies' stock. Such litigation, if instituted against us, could cause us to incur substantial costs and divert management's attention and resources from our business.

If equity research analysts do not publish research or reports, or publish unfavorable research or reports, about us, our business or our market, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that equity research analysts publish about us and our business. We have only limited research coverage by equity research analysts. Equity research analysts may elect not to provide research coverage of our common stock, and such lack of research coverage may adversely affect the market price of our common stock. In the event we do have equity research analyst coverage, we will not have any control over the analysts or the content and opinions included in their reports. The price of our stock could decline if one or more equity research analysts downgrade our stock or issue other unfavorable commentary or research. If one or more equity research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our stock could decrease, which in turn could cause our stock price or trading volume to decline.

Future sales of our common stock in the public market could cause our share price to fall.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. As of March 20, 2024, we had 60,079,778 shares of common stock outstanding. All of the shares of common stock sold during the initial public offering are currently freely tradable, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act of 1933.

Additionally, the holders of approximately 18.6 million shares of common stock, or their transferees, have rights, subject to some conditions, with respect to registration of such shares under the Securities Act pursuant to an investor rights agreement between such holders and us. If such holders, by exercising their registration rights, sell a large number of shares, they could adversely affect the market price for our common stock. If we file a registration statement for the purpose of selling additional shares to raise capital, we may be required to offer these holders the right to participate in the offering and, if we are required to include shares held by these holders pursuant to the exercise of their registration rights, our ability to raise capital may be impaired.

We have filed registration statements on Form S-8 under the Securities Act registering approximately 12,334,367 shares of common stock subject to options or other equity awards issued or reserved for future issuance under our equity incentive plans and plan to file additional registration statements on Form S-8 for additional shares of common stock issuable under

our equity incentive plans. Shares registered under these registration statements on Form S-8 can be freely sold in the public market upon issuance, subject to the vesting of the equity awards, other restrictions provided under the terms of the applicable plan or equity award and the restrictions of Rule 144 in the case of our affiliates.

Provisions in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management and hinder efforts to acquire a controlling interest in us, and the market price of our common stock may be lower as a result.

There are provisions in our certificate of incorporation and bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change of control was considered favorable by you and other stockholders. For example, our board of directors has the authority to issue up to 10,000,000 shares of preferred stock. The board of directors can fix the price, rights, preferences, privileges and restrictions of the preferred stock without any further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change of control transaction. As a result, the market price of our common stock and the voting and other rights of our stockholders may be adversely affected. An issuance of shares of preferred stock may result in the loss of voting control to other stockholders.

Our charter documents also contain other provisions that could have an anti-takeover effect, including:

- only one of our three classes of directors will be elected each year;
- stockholders will not be entitled to remove directors other than by a 66 2/3% vote and only for cause;
- stockholders will not be permitted to take actions by written consent;
- stockholders cannot call a special meeting of stockholders; and
- stockholders must give advance notice to nominate directors or submit proposals for consideration at stockholder meetings.

In addition, we are subject to the anti-takeover provisions of Section 203 of the Delaware General Corporation Law, or DGCL, which regulates corporate acquisitions by prohibiting Delaware corporations from engaging in specified business combinations with particular stockholders of those companies. These provisions could discourage potential acquisition proposals and could delay or prevent a change of control transaction. They could also have the effect of discouraging others from making tender offers for our common stock, including transactions that may be in your best interests. These provisions may also prevent changes in our management or limit the price that investors are willing to pay for our stock.

Concentration of ownership of our common stock among our existing executive officers, directors and principal stockholders may prevent new investors from influencing significant corporate decisions.

Our directors, executive officers and beneficial owners of greater than 5% of our outstanding stock and their respective affiliates beneficially own, in the aggregate, a majority of our outstanding common stock. As a result, these persons, acting together, would be able to significantly influence all matters requiring stockholder approval, including the election and removal of directors, any merger, consolidation, sale of all or substantially all of our assets or other significant corporate transactions.

Some of these persons or entities may have interests different than yours. For example, because many of these stockholders purchased their shares at prices substantially below the public offering price and have held their shares for a longer period, they may be more interested in selling our company to an acquirer than other investors, or they may want us to pursue strategies that deviate from the interests of other stockholders.

We are an "emerging growth company" and a "smaller reporting company" and, as a result of the reduced disclosure and governance requirements applicable to emerging growth companies and smaller reporting companies, our common stock may be less attractive to investors.

We are an "emerging growth company" as defined in the JOBS Act, and we intend to take advantage of some of the exemptions from reporting requirements that are applicable to other public companies that are not emerging growth companies, including:

- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;

- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- not being required to hold a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We cannot predict if investors will find our common stock less attractive because we will 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 stock price may be more volatile. We may take advantage of these reporting exemptions until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of the last day of the fiscal year (i) following the fifth anniversary of the closing of our initial public offering, or July 6, 2026, (ii) in which we have total annual gross revenue of at least $1.235 billion or (iii) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, and the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of the extended transition period to comply with new or revised accounting standards and to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of the accounting standards election, we will not be subject to the same implementation timing for new or revised accounting standards as other public companies that are not emerging growth companies, which may make comparison of our financials to those of other public companies more difficult. As a result of these elections, the information that we provide in this Annual Report on Form 10-K may be different than the information you may receive from other public companies in which you hold equity interests. In addition, it is possible that some investors will find our common stock less attractive as a result of these elections, which may result in a less active trading market for our common stock and higher volatility in our share price.

We are also a "smaller reporting company" as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies until the fiscal year following the determination that our voting and non-voting common stock held by non-affiliates is more than $250 million measured on the last business day of our second fiscal quarter, or our annual revenues are more than $100 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is more than $700 million measured on the last business day of our second fiscal quarter.

Our management team may use our cash and cash equivalents, including the net proceeds from our initial public offering, in ways in which you may not agree or in ways which may not yield a return.

Our management has broad discretion over the use of our cash and cash equivalents, including the net proceeds from our initial public offering. You will not have the opportunity to influence our decisions on how to use our cash and cash equivalents and will need to rely on our judgment with respect to the use of our cash and cash equivalents. The failure by our management to apply our cash and cash equivalents effectively could adversely affect our ability to continue maintaining and expanding our business.

We have never paid dividends on our capital stock and we do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our common stock will likely depend on whether the price of our common stock increases.

We have never declared or paid any dividends on our common stock and do not intend to pay any dividends in the foreseeable future. In addition, pursuant to our Loan Agreement, we are prohibited from paying cash dividends. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Our failure to meet Nasdaq's continued listing requirements could result in a delisting of our common stock.

If we fail to satisfy Nasdaq's continued listing requirements, such as the corporate governance requirements or the minimum closing bid price requirement, Nasdaq may take steps to delist our common stock. Such a delisting would likely have a negative effect on the price of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with Nasdaq's listing requirements.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the U.S. federal district courts will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative claim or cause of action brought on our behalf;
- any claim or cause of action asserting a breach of fiduciary duty;
- any claim or cause of action against us arising under DGCL;
- any claim or cause of action arising under or seeking to interpret our amended and restated certificate of incorporation or our amended and restated bylaws; and
- any claim or cause of action against us that is governed by the internal affairs doctrine.

Further, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation will further provide that the U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

While the Delaware courts have determined that such choice of forum provisions are facially valid and several state trial courts have enforced such provisions and required that suits asserting Securities Act claims be filed in federal court, there is no guarantee that courts of appeal will affirm the enforceability of such provisions and, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with litigating Securities Act claims in state court, or both state and federal court, which could seriously harm our business, financial condition, results of operations, and prospects.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

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

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

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

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

General Risk Factors

We incur significant costs and demands upon management as a result of being a public company.

As a public company listed in the United States, we incur significant legal, accounting and other costs that could negatively affect our financial results. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and Nasdaq, may increase legal and financial compliance costs and make some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies.

We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts to comply with new laws, regulations and standards, we fail to comply, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Failure to comply with these rules might also make it more difficult for us to obtain some types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors or as members of senior management.

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

We have generated net operating loss, or NOL, carryforwards during our history, we expect to continue to generate significant NOL carryforwards for the foreseeable future, and we may not achieve profitability prior to the time that certain of our NOL carryforwards expire. As of December 31, 2023, we had federal and state NOL carryforwards of $67.2 million and $46.9 million, respectively. Of the total federal NOLs of $67.2 million, $6.5 million will begin expiring in the year 2028 as will the state NOLs if not utilized. The remaining $60.7 million of federal NOL carryforwards as of December 31, 2023 do not expire due to the enactment of the Tax Act in 2017, although are limited to eighty percent of taxable income annually. Our NOL carryforwards are subject to review and possible adjustment by U.S. and state tax authorities. Our NOL carryforwards could expire unused or be unavailable to offset future income tax liabilities because of their limited duration or because of restrictions under U.S. tax law. Federal NOL carryforwards generated in tax years ending on or prior to December 31, 2017 may only be carried forward for 20 taxable years under applicable U.S. federal tax law. Federal NOL carryforwards generated in tax years ending after December 31, 2017 may be carried forward indefinitely, but the

deductibility of such federal NOL carryforwards is limited to 80% of current year taxable income. Similar rules may apply under state tax laws.

We may also qualify for business tax credits, such as research and development tax credits, which generally may be carried forward 20 years to offset a portion of future taxable income, if any, subject to expiration of such credit carryforwards. We have not determined the amount of credit carryforward recently due to the cost versus no current benefit of claiming the credit.

Additionally, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, if a corporation undergoes an "ownership change" (generally defined as a cumulative change in our ownership by "5-percent shareholders" that exceeds 50 percentage points over a rolling three-year period), the corporation's ability to use its pre-change NOL carryforwards and certain other pre-change tax attributes (such as research and development tax credits) to offset its post-change income and taxes may be limited or eliminated. Similar rules may apply under state tax laws. The completion of our recent initial public offering, together with private placements and other transactions that have occurred since our inception, may have triggered such an ownership change pursuant to Section 382/383. We may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside our control. We have not conducted any studies to determine annual limitations, if any, that could result from such changes in the ownership. Our ability to utilize those NOL and credit carryforwards could be limited or eliminated by an "ownership change" as described above and consequently, we may not be able to utilize a material portion of our NOL carryforwards and certain other tax attributes, which could have an adverse effect on our cash flows and results of operations.

Changes in U.S. tax law could adversely affect our financial condition and results of operations.

The rules dealing with U.S. federal, state, and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many such changes have been made and changes are likely to continue to occur in the future. Future changes in U.S. tax laws could have a material adverse effect on our business, cash flow, financial condition or results of operations. We urge investors to consult with their legal and tax advisors regarding the implications of potential changes in U.S. tax laws on an investment in our common stock.

Disruptions at the FDA, the Commission and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of the SEC and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs or biologics to be reviewed and approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including most recently from December 22, 2018 to January 25, 2019, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA and the SEC, have had to furlough critical FDA, SEC and other government employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

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

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

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. Portions of our clinical trials may be conducted outside of the United States and unfavorable economic conditions resulting in the weakening of the U.S. dollar would make those clinical trials more costly to operate. Further, a severe or prolonged economic downturn, including a recession or depression resulting from the national or international events or political disruption, such as the ongoing conflict between Russia and Ukraine or the Israel-Hamas war, could result in a variety of risks to our business, including weakened demand for our product candidates or any future product candidates, if approved, and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy or political disruption, including any international trade disputes, could also strain our manufacturers or suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our potential products. Any of the foregoing could seriously harm our business, and we cannot anticipate all of the ways in which the political or economic climate and financial market conditions could seriously harm our business.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk management and strategy.

In the ordinary course of our business, we and our third-party service providers, such as contract research organizations, collect, maintain and transmit sensitive data on our networks and systems, including our intellectual property and proprietary or confidential business information (such as research data and personal information). The secure maintenance of this information is critical to our business and reputation. In addition, we are heavily dependent on the functioning of our information technology infrastructure to carry out our business processes. While we have adopted administrative, technical and physical safeguards to protect such systems and data, our systems and those of third-party service providers may be vulnerable to a cyber-attack.

We have adopted processes designed to identify, assess and manage material risks from cybersecurity threats. Those processes include frameworks to respond to and assess internal and external threats to the security, confidentiality, and integrity of our data and information systems, along with other material risks to our operations, which we review at least annually or whenever there are material changes to our systems or operations.

Our IT department collaborates with our Chief Operating Officer to evaluate and address cybersecurity risks in alignment with our business objectives and operational needs. We have processes to detect potential vulnerabilities and anomalies through technical safeguards. As part of our risk management process, we conduct regular IT security audits to assess and respond to internal and external security threats.

We rely on third parties, including cloud vendors and consultants, for various business functions. Many of our third-party service providers have access to our information systems and data, and we rely on such third parties for the continuous operation of our business operations. We oversee third-party service providers by conducting vendor diligence. Vendors are generally assessed for risk based on the nature of their service, access to data and systems and supply chain risk and, based on that assessment, we conduct diligence that may include completing security questionnaires, onsite evaluation, and scans or other technical evaluations.

Governance.

Our Board of Directors has established oversight mechanisms to manage risks from cybersecurity threats. Our Audit Committee has primary responsibility for oversight of cybersecurity, including the responsibility to review and discuss with management and the Company’s auditors, as appropriate, management risks relating to data privacy, technology and information security, including cyber security and back-up of information systems, and the steps the Company has taken to monitor and control such exposures and the responsibility to confer with management and the Company’s auditors the adequacy and effectiveness of the Company’s information and cyber security policies and the internal controls regarding information security. The Audit Committee, or the Board of Directors as a whole, is briefed on any material cybersecurity incidents that may adversely affect the Company and on cybersecurity risks in general at least once each year.

At the management level, our cybersecurity program is managed by our Director of IT, who reports to our Chief Operating Officer. Our Director of IT has over 12 years of IT security experience in regulated industries such as government, energy, and biopharma. He has over 20 years of combined IT experience.

Our Director of IT and IT Department implement processes around security monitoring and vulnerability testing. Our Director of IT reports at least annually to the Audit Committee and such reporting will include topics such as our risk assessment, risk management and control decisions, service provider arrangements, test results, security incidents and responses and recommendations for changes and updates to policies and procedures.

Although we have experienced cybersecurity incidents in the past, as of the date of this report, we have not experienced a cybersecurity incident that resulted in a material effect on our business strategy, results of operations, or financial condition. Despite our continuing efforts, we cannot guarantee that our cybersecurity safeguards will prevent breaches or breakdowns of our or our third-party service providers' information technology systems, particularly in the face of continually evolving cybersecurity threats and increasingly sophisticated threat actors. A cybersecurity incident may materially affect our business, results of operations or financial condition, including where such an incident results in reputational, competitive or business harm or damage to our Company, loss of intellectual property rights, significant costs or the Company being subject to government investigations, litigation, fines or damages. For more information, see "Our business and operations would suffer in the event of computer system failures, cyberattacks or a deficiency in our cybersecurity or a natural disaster."

Item 2. Properties.

Our corporate headquarters are currently located in Charlottesville, Virginia, where we lease two office spaces in the same building pursuant to lease agreements that both expired in December 2023. We continue to lease the properties on a month-to-month basis. Additionally, we entered into a 38-month lease, which commenced in October 2023 for approximately 3,758 square feet of office space in Newton, Massachusetts. We believe that these facilities will be adequate for our near-term needs. If required, we believe that suitable additional or alternative space would be available in the future on commercially reasonable terms.

Item 3. Legal Proceedings.

From time to time, we may be involved in various claims and legal proceedings relating to claims arising out of our operations. We are not currently a party to any legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information for Common Stock

Our common stock is listed on The Nasdaq Global Select Market under the symbol "ABOS."

Holders of Record

As of March 20, 2024, we had 71 holders of record of our common stock, which excludes stockholders whose shares were held in nominee or street name by brokers. The actual number of common stockholders is greater than the number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never paid cash dividends on any of our capital stock and currently intend to retain our future earnings, if any, to fund the development and growth of our business. In addition, our loan and security agreement with K2HV currently prohibits us from paying dividends on our equity securities, and any future debt agreements may likewise preclude us from paying dividends. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources."

Equity Compensation Plans

The information required by this item will be set forth in our 2024 Proxy Statement and is incorporated in this Annual Report on Form 10-K by reference.

Unregistered Sales of Equity Securities

None.

Use of Proceeds

On June 30, 2021, our Registration Statement on Form S-1, as amended (File No. 333-256945), was declared effective in connection with our IPO, pursuant to which we sold an aggregate of 11,499,998 shares of our common stock, including the full exercise of the underwriters' option to purchase additional shares, at a price to the public of $16.00 per share. BofA Securities, Inc, Credit Suisse Securities (USA) LLC, and Stifel, Nicolaus & Company, Incorporated acted as joint lead book-running managers and UBS Securities LLC also acted as a book-running manager for the offering.

The IPO closed on July 6, 2021 with respect to 9,999,999 shares of common stock. On July 8, 2021, the offering closed with respect to an additional 1,499,999 shares purchased by the underwriters pursuant to the underwriters' option to purchase additional shares. The aggregate net proceeds from our IPO, after underwriting discounts and commissions, and other offering expenses of $15.4 million, were $168.6 million. In connection with our IPO, no payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates or to our affiliates. There has been no material change in the planned use of proceeds from our IPO as described in our prospectus filed pursuant to Rule 424(b)(4) under the Securities Act with the SEC on July 2, 2021.

Issuer Purchases of Equity Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, includes forward-looking statements that involve risks and uncertainties and should be read together with the "Risk Factors" section of this Annual Report on Form 10-K for a discussion of important factors that could cause our actual results to differ materially from those described in or implied by these forward-looking statements contained in the following discussion and analysis.

Overview

We are a clinical-stage biopharmaceutical company developing a novel disease-modifying approach to target what we believe to be a key underlying cause of Alzheimer's disease, or AD. Alzheimer's disease is a progressive neurodegenerative disease of the brain that leads to loss of memory and cognitive functions and ultimately results in death. Our scientific founders pioneered research on soluble amyloid-beta oligomers, or AßOs, which are globular assemblies of the amyloid-beta, or Aß, peptide that are distinct from Aß monomers and amyloid plaques. Based on decades of research and supporting evidence, AßOs have gained increasing scientific acceptance as a primary toxin involved in the initiation and propagation of AD pathology. We are currently focused on advancing a targeted immunotherapy drug candidate, sabirnetug, in clinical development following Phase 1 results in "early AD" patients (patients with mild cognitive impairment or mild dementia due to Alzheimer's pathology) that were reported in July 2023. Sabirnetug is a recombinant humanized IgG2 mAb that was designed to selectively target AßOs, has demonstrated functional and protective effects in in vitro assays, and has demonstrated in vivo safety and pharmacologic activity in multiple animal species, including transgenic mouse models for AD.

In July 2023, we announced topline results from our Phase 1 clinical trial of sabirnetug, called INTERCEPT-AD, which demonstrated that sabirnetug met the primary and secondary objectives of this study in 62 participants with early AD. We expect to initiate a Phase 2 clinical trial of sabirnetug, called ALTITUDE-AD, in the first half of 2024. ALTITUDE-AD is a randomized, double-blind, placebo-controlled, three arm study designed to evaluate the clinical efficacy, safety and tolerability of sabirnetug, with up to 180 participants per arm for a total of up to 540 participants with mild cognitive impairment or mild dementia due to AD. We intend to use the Integrated Alzheimer's Disease Rating Scale, or iADRS, at 18 months as the primary outcome measure. Our planned doses for ALTITUDE-AD are 35 mg/kg and 50 mg/kg both dosed every four weeks, or Q4W. These dose levels and frequency were selected based on extensive pharmacokinetic, or PK, and pharmacodynamic, or PD, modeling of our Phase 1 data. Based on regulatory feedback from the European Medicines Agency, or EMA, and to enhance the probability that the EMA will consider our Phase 2 study a registration-eligible study for sabirnetug, we anticipate amending the ALTITUDE-AD protocol later this year to change the current Phase 2/3 study to a Phase 2 standalone study. If this happens, any interim analysis may then lead to an initiation of a confirmatory Phase 3 study.

We were incorporated in 1996 and were party to an exclusive license and research collaboration with Merck in 2003. Although we acquired the exclusive rights to sabirnetug from Merck in 2011 following Merck's strategic decision to focus its AD development efforts on a different product candidate, we did not recommence meaningful operations until we completed our first institutional fundraising in 2018. Since 2018, we have devoted substantially all of our efforts to organizing and staffing our company, business planning, raising capital, conducting discovery, research and development activities, and providing general and administrative support for these operations. We do not have any products approved for sale and have not generated any revenue from product sales. We have funded our operations primarily through the sale of our convertible preferred stock and common stock, the issuance of notes, entry into a term loan facility, grant revenue and during our collaboration with Merck, certain payments received under our collaboration agreement.

On July 21, 2023, we issued 16,774,193 shares of our common stock in an underwritten public offering, or the Offering, at a price to the public of $7.75 per share. The net proceeds from the offering, after underwriting discounts and commissions and other offering expenses, were $121.9 million.

In November 2023, we entered into a loan and security agreement, or the Loan Agreement, with K2 HealthVentures LLC, or, together with its affiliates, K2HV. The Loan Agreement provides us with a term loan facility in the aggregate principal amount of up to $50.0 million, of which we have borrowed $30.0 million in the first tranche and which was funded upon closing. The remaining $20.0 million is available for borrowing upon our request, subject to review by the lenders of certain information from us and discretionary approval by the lenders. The term loan facility matures on November 1, 2027 and can be extended to November 1, 2028, subject to our achievement of certain financing milestones. In accordance with

the Loan Agreement, we issued to K2HV a warrant to purchase up to 730,769 shares of our common stock at an exercise price of $1.95 per share.

In January 2024, we issued 2,068,246 shares of our common stock under our at-the-market offering program, or the ATM, for net proceeds of $7.9 million, or $3.84 per share.

We have incurred net losses and negative cash flows from operations since our inception. Our net losses were $52.4 million and $42.9 million for the years ended December 31, 2023 and 2022, respectively. Approximately $42.3 million, or 81%, of the net loss for the year ended December 31, 2023 was due to research and development spending. As of December 31, 2023, we had an accumulated deficit of $222.8 million. Our net losses and cash flows from operations may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of nonclinical studies, clinical trials and our expenditures on other research and development activities. Our net losses and cash flows from operations may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of nonclinical studies, clinical trials and our expenditures on other research and development activities. We expect our expenses and operating losses will increase substantially for the foreseeable future as we advance sabirnetug in clinical trials, seek to expand our product candidate portfolio through developing additional product candidates, grow our clinical, regulatory and quality capabilities, and incur additional costs associated with operating as a public company. It is likely that we will seek third-party collaborators for the future commercialization of sabirnetug or any other product candidate that is approved for marketing. Should we seek to commercialize our products at our own expense, we would incur significant additional expenses for marketing, sales, manufacturing and distribution. We will not generate revenue from product sales unless and until we successfully complete clinical development and obtain regulatory approval for our product candidates.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings and debt financings or other sources, such as potential collaboration agreements, strategic alliances and licensing arrangements. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on acceptable terms, or at all. In addition, global economic conditions may impact our ability to raise additional funds, and we may be impacted by disruptions to, and volatility in, the credit and financial markets in the U.S. and worldwide, rising inflation and supply disruptions, the ongoing conflict between Russia and Ukraine and Israel and Hamas and related sanctions, and otherwise. If these conditions persist and deepen, we could experience an inability to access additional capital, or our liquidity could otherwise be impacted. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs and/or future commercialization efforts. Our failure to raise capital or enter into such agreements as, and when needed, could have a material adverse effect on our business, results of operations and financial condition.

As of December 31, 2023, we had cash and cash equivalents and marketable securities of $306.1 million; included in this amount is the first tranche of $30.0 million that we received under our Loan Agreement, which was received on November 10, 2023. Based on our current operating plan, we expect that our existing cash and cash equivalents and marketable securities, will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect, including based on our decision to initiate other clinical trials or programs. See “Liquidity and Capital Resources.”

Components of Results of Operations

Operating Expenses

Our operating expenses consist of research and development expenses and general and administrative expenses.

Research and Development Expenses

Research and development costs primarily consist of direct costs associated with consultants and materials, biologic storage, third party, contract research organizations, or CRO, costs and contract manufacturing organization, or CMO, expenses, salaries and other personnel-related expenses. Research and development costs are expensed as incurred. More specifically, these costs include:

- costs of funding research performed by third parties that conduct research and development and nonclinical and clinical activities on our behalf;
- costs of manufacturing drug supply and drug product;

- costs of conducting nonclinical studies and clinical trials of our product candidates;
- consulting and professional fees related to research and development activities, including stock-based compensation to non-employees;
- costs related to compliance with clinical regulatory requirements; and
- employee-related expenses, including salaries, benefits and stock-based compensation expense for our research and development personnel.

As we currently only have one product candidate, sabirnetug, in development, we do not separately track expenses by program. Further, we have historically relied primarily on consultants for research and development activities; our internal research and development personnel costs currently represent approximately 22% of our total research and development expenses. Our research and development expenses increased substantially since initiating the clinical trial program for sabirnetug in 2021. We expect that our research and development expenses will continue to increase, substantially in connection with our continued clinical development activities for sabirnetug.

General and Administrative Expenses

General and administrative expenses consist primarily of employee-related expenses, including stock-based compensation costs, as well as business insurance, management and business consultants and other related costs. General and administrative expenses also include professional fees for legal, consulting, accounting, auditing, tax and patent services, investor and public relations, board of directors' expenses, information technology, franchise taxes, rent, travel expenses and subscriptions.

We expect that our general and administrative expenses will increase as our organization and headcount needed in the future grows to support continued research and development activities and potential commercialization of our product candidates. These increases will likely include increased costs related to the hiring of additional personnel and fees to outside consultants, attorneys and accountants, among other expenses. Additionally, we expect to continue to incur significant expenses associated with being a public company, including costs of additional personnel, accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and Securities and Exchange Commission, or SEC, requirements, director and officer insurance costs, and investor and public relations costs.

Other Income (Expense)

Other income (expense) primarily includes interest income, interest expense, change in fair value of embedded derivatives and other expense, net. The interest income earned, as well as amortization and accretion of premiums and discounts, related to our investments in marketable securities are recorded in interest income. Interest expense includes interest due under the Loan Agreement, as well as the amortization of the related debt discount. The change in fair value of embedded derivatives relates to the embedded derivatives that were bifurcated from the term loan, borrowed under the Loan Agreement, and accounted for as a derivative at fair value and is remeasured at each reporting period for the term of the loan. Other expense, net generally consists of fees incurred on our investments in marketable securities partially offset by sublease income.

Results of Operations

Comparison of the Years Ended December 31, 2023 and 2022

The following table summarizes our results of operations for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,		Change	
	2023	2022	$	%
Costs and operating expenses				
Research and development	$ 42,318	$ 32,361	$ 9,957	31 %
General and administrative	18,820	12,876	5,944	46 %
Total operating expenses	61,138	45,237	15,901	35 %
Loss from operations	(61,138)	(45,237)	(15,901)	35 %
Other income (expense)				
Interest income	10,791	2,392	8,399	*
Change in fair value of embedded derivatives	(1,360)	—	(1,360)	100 %
Interest expense	(581)	—	(581)	100 %
Other expense, net	(83)	(11)	(72)	*
Total other income	8,767	2,381	6,386	*
Net loss	$ (52,371)	$ (42,856)	$ (9,515)	22 %

* Not meaningful

Research and Development Expenses

Research and development expenses were $42.3 million and $32.4 million for the years ended December 31, 2023 and 2022, respectively. The $9.9 million increase was primarily due to increases in expenses of $4.0 million for personnel-related expenses, including an increase of $1.0 million for non-cash stock-based compensation expenses, $3.2 million for services provided by contractors and consultants, $1.0 million for license agreements, $0.8 million for other clinical trial expenses, $0.6 million for storage, shipping and packaging, $0.3 million for materials, $0.3 million for CRO costs and $0.1 million for travel expenses; all of which was primarily related to increases in costs associated with the planning phase of our anticipated Phase 2 clinical trial and decreases associated with the conclusion of our Phase 1 clinical trial, which was initiated in 2021 with topline results announced in July 2023. All of the above increases were partially offset by a $0.4 million decrease in assay development costs.

General and Administrative Expenses

General and administrative expenses were $18.8 million and $12.9 million for the years ended December 31, 2023 and 2022, respectively. The $5.9 million increase was primarily due to increases of $4.7 million for personnel costs, including an increase of $2.1 million for non-cash stock-based compensation expenses, $0.8 million for consulting expenses, $0.6 million for legal/patent expenses, $0.2 million for audit-related expenses, and $0.2 million for software licenses and computer equipment, partially offset by a reduction of $0.7 million in corporate insurance expenses.

Other Income (Expense)

Other income increased $6.4 million to $8.8 million for the year ended December 31, 2023 from $2.4 million for the year ended December 31, 2022. The increase was primarily attributable to an $8.4 million increase in interest income on our portfolio of marketable securities due to both higher interest rates and increased investment in marketable securities following the Offering; partially offset by a $1.4 million increase in change in the fair value of embedded derivatives due to the increase in fair value of the embedded derivatives that are bifurcated from the term loan under the Loan Agreement, from the time of the closing of the Loan Agreement until December 31, 2023 and an increase in interest expense of $0.6 million related to our Loan Agreement funded in November 2023.

Liquidity and Capital Resources

We have incurred net losses since inception. We have not generated any revenue from product sales or any other sources other than grant revenue and have incurred significant operating losses. We have not yet commercialized any products and we do not expect to generate revenue from sales of any drug candidates for at least several years, if ever.

Our operations have been financed primarily by net proceeds from the sale and issuance of our common stock and convertible preferred stock, net proceeds from our IPO and Offering, the issuance of notes, grant revenue and, during our collaboration with Merck & Co. Inc. which was in place from 2003 to 2011, certain payments received under our collaboration agreement.

On July 21, 2023, we issued 16,774,193 shares of our common stock, $0.0001 par value per share, or Common Stock, in the Offering at a price of $7.75 per share. The aggregate net proceeds from the Offering, after underwriting discounts and commissions and other offering expenses, were $121.9 million.

On July 1, 2022, we filed a shelf registration statement on Form S-3, or the Registration Statement. Pursuant to the Registration Statement, we may offer and sell securities having an aggregate public offering price of up to $200.0 million. In connection with the filing of the Registration Statement, we also entered into a sales agreement, or the Sales Agreement, with BofA Securities, Inc. and Stifel, Nicolaus & Company, Incorporated, as sales agents, pursuant to which we may issue and sell shares of our Common Stock for an aggregate offering price of up to $50.0 million under an at-the-market offering program, or ATM, which is included in the $200.0 million of securities that may be offered pursuant to the Registration Statement. On April 23, 2023, we entered into an amendment to the Sales Agreement, or, as amended, the Amended Sales Agreement, to add BTIG, LLC as a sales agent under the Amended Sales Agreement. Pursuant to the Amended Sales Agreement, we will pay the sales agents a commission rate of up to 3.0% of the gross proceeds from the sale of any shares of our Common Stock. We are not obligated to make any sales of shares of our Common Stock under the ATM. We did not sell any shares of our Common Stock under the ATM during the year ended December 31, 2023.

In January 2024, we issued 2,068,246 shares of Common Stock under the ATM for net proceeds of $7.9 million, or $3.84 per share.

On November 10, 2023, we received the first tranche of $30.0 million under the Loan Agreement. As of December 31, 2023, we had cash and cash equivalents and marketable securities totaling $306.1 million. Our available-for-sale marketable securities mature over the next two years. Based on our current operating plan, we expect that our existing cash and cash equivalents and marketable securities will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect, including based on our decision to initiate other clinical trials or programs.

We enter into contracts in the normal course of business with CROs and CMOs for clinical trials, nonclinical research studies and testing, manufacturing and other services and products for operating purposes. These contracts do not contain any minimum purchase commitments and are generally cancellable by us after giving a certain amount notice. Payments due upon cancellation consist only of payments for services provided and expenses incurred up to the date of cancellation.

Cash Flows

The following table summarizes our sources and uses of cash (in thousands):

	Year Ended December 31,	
	2023	2022
Net cash used in operating activities	$ (43,064)	$ (35,153)
Net cash provided by (used in) investing activities	(171,671)	39,185
Net cash provided by financing activities	151,753	3,907
Net change in cash and cash equivalents	$ (62,982)	$ 7,939

Operating Activities

Net cash used in operating activities increased by $7.9 million to.$43.1 million for the year ended December 31, 2023 from $35.2 million for the year ended December 31, 2022. The $9.5 million increased net loss for the year ended December 31,

2023, as adjusted for non-cash net expenses totaling $1.7 million, some of which included an increase in stock-based compensation of $3.1 million, a decrease in amortization and accretion on marketable securities of $3.6 million, an increase in change in fair value of embedded derivatives of $1.4 million and an increase in non-cash equipment lease costs of $0.7 million, was responsible for $7.8 million of the increase in cash used in operating activities as compared to the prior year. Working capital changes, including increases in cash used for prepaid expenses and other current assets of $2.1 million, related primarily to advances for research and development, accrued clinical trial expenses of $0.9 million and accounts payable of $0.8 million, were partially offset by increases in cash provided by accrued expenses and other current liabilities of $3.6 million.

Investing Activities

Net cash used in investing activities increased by $210.9 million to $171.7 million for the year ended December 31, 2023 from cash provided by investing activities of $39.2 million for the year ended December 31, 2022, and was primarily due to an increase in purchases of marketable securities of $209.1 million and a decrease in maturities of marketable securities of $1.9 million.

Financing Activities

Net cash provided by financing activities increased by $147.9 million to $151.8 million for the year ended December 31, 2023 from $3.9 million for the year ended December 31, 2022. The increase was primarily due to $121.9 million of net proceeds from the Offering, and $29.5 million of net proceeds under the Loan Agreement for the year ended December 31, 2023, as compared to $3.8 million of net proceeds from the issuance of Common Stock under our ATM for the year ended December 31, 2022.

Funding Requirements

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue our research and development, conduct clinical trials, and seek marketing approval for our current and any of our future product candidates. Furthermore, we expect to incur additional costs associated with operating as a public company. It is likely that we will seek third-party collaborators for the future commercialization of sabirnetug or any other product candidate that is approved for marketing. Should we seek to commercialize our products at our own expense, we would incur significant additional expenses for marketing, sales, manufacturing and distribution, which costs we may seek to offset through entry into collaboration agreements with third parties. As a result, we expect that we will need to obtain substantial additional funding in connection with our future operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Based on our current operating plan, we believe that our existing cash and cash equivalents and marketable securities will be sufficient to enable us to fund our operating expenses and capital expenditure requirements into the first half of 2027. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect, including based on our decision to initiate other clinical trials or programs. In addition, changing circumstances may cause us to increase our spending significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may need to raise additional funds sooner than anticipated if we choose to expand more rapidly than we presently anticipate.

The amount and timing of our future funding requirements will depend on many factors, some of which are outside of our control, including but not limited to :

- the progress, costs, timing and results of ALTITUDE-AD and other potential clinical trials of sabirnetug, including for potential additional indications that we may pursue beyond AD;
- the requirements of the U.S. Food and Drug Administration, or the FDA, and European Medicines Agency, or EMA, and comparable foreign regulatory authorities, for clinical trials and nonclinical studies and other work, for review and approval of sabirnetug for AD;
- the outcome, costs and timing of seeking and obtaining FDA, EMA and any other regulatory approvals;
- the number and characteristics of product candidates that we pursue;
- our ability to obtain sufficient quantities of our product candidates from our third-party manufacturers;
- our need to expand our research and development activities;

- the costs associated with securing and establishing commercialization capabilities if we were to elect to commercialize one or more products on our own;
- the economics and other terms, timing of and success of any collaboration, licensing or other arrangements into which we may enter for the commercialization of our products;
- the costs and other terms, timing and success, of acquiring, in-licensing or investing in businesses, product candidates and technologies;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to retain management and hire scientific and clinical personnel;
- the effect of competing drugs and product candidates and other market developments; and
- our need to implement additional internal systems and infrastructure, including financial and reporting systems.

Additional funding may not be available to us on acceptable terms or at all. Any such funding may result in dilution to stockholders, imposition of debt covenants and repayment obligations or other restrictions that may affect our business. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or product candidates or otherwise agree to terms unfavorable to us. Any funds we raise may not be sufficient to enable us to continue to implement our long-term business strategy. Further, our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to and volatility in the credit and financial markets in the United States and worldwide. Additionally, escalation in interest rates, in conjunction with banking failures, may lead to financial institutions being more prudent with capital deployment and tightening lending. If we are unable to raise sufficient additional capital on a timely basis, we could be forced to curtail our planned operations and the pursuit of our business strategy, which would have a material adverse effect on the value of our common stock.

Critical Accounting Policies, Significant Judgments and Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles, or U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses incurred during the reporting periods. Our estimates and assumptions are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

While our significant accounting policies are described in the notes to our financial statements included elsewhere in this Annual Report for Form 10-K, we believe that the following critical accounting policies are most important to understanding and evaluating our reported financial results.

Stock-Based Compensation Expense

We recognize stock-based compensation expense for all stock-based awards. Stock-based compensation costs are estimated at the grant date based on the fair value of the equity and recognized as expense, net of actual forfeitures when they occur, on a straight-line basis over the requisite service period.

We calculate the fair value of options using the Black-Scholes option-pricing model, which requires the use of various highly subjective assumptions as follows:

- *Fair Value of Common Stock*—We use the closing price of our publicly traded Common Stock.
- *Expected Term*—We have opted to use the "simplified method" for estimating the expected term of options, whereby the expected term equals the arithmetic average of the mid-point between the vesting date and the end of contractual term of the option (generally ten years).

- *Expected Volatility*—Due to our limited operating history and a lack of sufficient company-specific historical and implied volatility data, we have based our estimate of expected volatility on a blended volatility of the volatility of our stock price following our IPO and the historical volatility of a group of industry peers that are publicly traded. We will continue to utilize this blended approach to estimate volatility until a sufficient amount of historical information regarding the volatility of our own stock is available.
- *Risk-Free Interest Rate*—The risk-free rate assumption is based on the U.S. Treasury yield in effect at the time of the grant with maturities consistent with the expected term of our options.
- *Expected Dividend Yield*—We have not issued any dividends in our history and do not expect to pay dividends on our common stock over the life of the options and therefore have estimated the dividend yield to be zero.

We will continue to use judgment in evaluating the expected volatility, expected terms and interest rates utilized for our stock-based compensation expense calculations on a prospective basis.

Accrued Research and Development Expenses

As part of the process of preparing our financial statements, we are required to estimate our accrued expenses as of each balance sheet date. This process involves reviewing open contracts and purchase orders, identifying services that have been performed on our behalf and estimating the level of service performed and the associated cost incurred for the service when we have not yet been invoiced or otherwise notified of the actual cost. We make estimates of our accrued expenses as of each balance sheet date based on facts and circumstances known to us at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary. The significant estimates in our accrued research and development expenses include the costs incurred for services performed by our vendors in connection with research and development activities for which we have not yet been invoiced. Since our inception, we have not experienced any material differences between accrued or prepaid costs and actual costs.

We base our expenses related to research and development activities on our estimates of the services received and efforts expended pursuant to quotes and contracts with vendors that conduct research and development on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the research and development expense. In accruing service fees, we estimate the time period over which services will be performed and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or prepaid expense accordingly. Advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received rather than when the payment is made.

Clinical trial costs are a significant component of accrued research and development expenses and include costs associated with third-party contractors. We accrue and expense costs for clinical trial activities performed by third parties based upon the work completed to date for each clinical trial in accordance with established agreements. Management determines costs through discussions with internal clinical stakeholders and outside service providers as to the progress or stage of completion of clinical trials or services and the contracted fee to be paid for such services. In the event advance payments are made to an outside service provider, the payments are recorded within prepaid expenses and other current assets in the balance sheet and subsequently recognized as research and development expense in the statement of operations and comprehensive loss when the associated services have been performed. As actual costs become known, we adjust our estimates, liabilities and assets. Inputs used in the determination of estimates discussed above may vary from actual, which will result in adjustments to research and development expense in future periods.

Embedded Derivatives

We evaluate embedded derivatives within convertible debt to determine whether the embedded derivatives should be bifurcated from the host instrument and accounted for as a derivative at fair value that will be remeasured at each reporting period for the term of the loan with changes in fair value recorded in the statements of operations and comprehensive loss. We initially assess the probability of the occurrence of trigger events for bifurcated embedded derivatives in determining fair value. The probability is reassessed at each reporting period during the term of a loan.

We calculate the fair value of embedded derivatives using the Monte Carlo option-pricing model, which requires the use of various highly subjective assumptions, including the expected term, expected volatility, risk-free interest rate and expected

dividend yield. Our selection of the expected volatility, risk-free interest rate and expected dividend yield are discussed above under *Stock-Based Compensation Expense.*

Emerging Growth Company and Smaller Reporting Company Status

In April 2012, the Jumpstart Our Business Startups Act of 2012, or JOBS Act, was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, 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 elected to use the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

In addition, as an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- an exception from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements and registration statements;
- exemptions from the requirements of holding non-binding advisory votes on executive compensation or golden parachute arrangements; and
- an exemption from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on financial statements.

We may take advantage of these provisions until we no longer qualify as an emerging growth company. We will cease to qualify as an emerging growth company on the date that is the earliest of: (i) December 31, 2026, (ii) the last day of the fiscal year in which we have more than $1.235 billion in total annual gross revenues, (iii) the date on which we are deemed to be a "large accelerated filer" under the rules of the SEC, which means the market value of our common stock that is held by non-affiliates exceeds $700 million as of the prior June 30th, or (iv) the date on which we have issued more than $1.0 billion of non-convertible debt over the prior three-year period. We may choose to take advantage of some but not all of these reduced reporting burdens. We have taken advantage of certain reduced reporting requirements in this Annual Report on Form 10-K and our other filings with the SEC. Accordingly, the information contained herein may be different than you might obtain from other public companies in which you hold equity interests.

We are also a "smaller reporting company," meaning that the market value of our shares held by non-affiliates is less than $700 million and our annual revenue was less than $100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our shares held by non-affiliates is less than $250 million or (ii) our annual revenue was less than $100 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than $700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable to a smaller reporting company.

Item 8. Financial Statements and Supplementary Data.

ACUMEN PHARMACEUTICALS, INC.
INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Acumen Pharmaceuticals, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Acumen Pharmaceuticals, Inc. (the Company) as of December 31, 2023 and 2022, the related statements of operations and comprehensive loss, changes in stockholders' equity and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditors since 2021.

Tysons, Virginia
March 26, 2024

ACUMEN PHARMACEUTICALS, INC.
BALANCE SHEETS
(in thousands, except share and per share data)

	December 31,	
	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 66,886	$ 130,101
Marketable securities, short-term	176,636	47,504
Prepaid expenses and other current assets	3,093	2,724
Total current assets	246,615	180,329
Marketable securities, long-term	62,553	15,837
Restricted cash	233	—
Property and equipment, net	122	165
Right-of-use asset	381	105
Other assets	221	151
Total assets	$ 310,125	$ 196,587
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 1,379	$ 1,640
Accrued clinical trial expenses	4,387	2,717
Accrued expenses and other current liabilities	6,339	3,350
Finance lease liability, short-term	756	—
Operating lease liability, short-term	110	105
Total current liabilities	12,971	7,812
Operating lease liability, long-term	284	—
Debt, long-term	29,897	—
Total liabilities	43,152	7,812
Commitments and contingencies (Note 11)		
Stockholders' equity		
Preferred stock, $ 0.0001 par value; 10,000,000 shares authorized and no shares issued and outstanding as of December 31, 2023 and 2022	—	—
Common stock, $ 0.0001 par value; 300,000,000 shares authorized as of December 31, 2023 and 2022; 57,910,461 and 41,025,062 shares issued and outstanding as of December 31, 2023 and 2022, respectively	6	4
Additional paid-in capital	489,453	359,949
Accumulated deficit	(222,798)	(170,427)
Accumulated other comprehensive income (loss)	312	(751)
Total stockholders' equity	266,973	188,775
Total liabilities and stockholders' equity	$ 310,125	$ 196,587

The accompanying notes are an integral part of these financial statements.

ACUMEN PHARMACEUTICALS, INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share data)

	Year Ended December 31,	
	2023	2022
Operating expenses		
Research and development	$ 42,318	$ 32,361
General and administrative	18,820	12,876
Total operating expenses	61,138	45,237
Loss from operations	(61,138)	(45,237)
Other income (expense)		
Interest income	10,791	2,392
Change in fair value of embedded derivatives	(1,360)	—
Interest expense	(581)	—
Other expense, net	(83)	(11)
Total other income	8,767	2,381
Net loss	(52,371)	(42,856)
Other comprehensive gain (loss)		
Unrealized gain (loss) on marketable securities	1,063	(520)
Comprehensive loss	$ (51,308)	$ (43,376)
Net loss per common share, basic and diluted	$ (1.08)	$ (1.06)
Weighted-average shares outstanding, basic and diluted	48,609,383	40,601,936

The accompanying notes are an integral part of these financial statements.

ACUMEN PHARMACEUTICALS, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except share data)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of January 1, 2022	40,473,270	$ 4	$ 352,981	$ (127,571)	$ (231)	$ 225,183
Issuance of common stock for cash, net of issuance costs of $ 412	422,160	—	3,792	—	—	3,792
Unrealized loss on marketable securities	—	—	—	—	(520)	(520)
Stock options exercised for cash	124,886	—	115	—	—	115
Cashless exercise of stock options	4,746	—	—	—	—	—
Stock-based compensation	—	—	3,061	—	—	3,061
Net loss	—	—	—	(42,856)	—	(42,856)
Balance as of December 31, 2022	41,025,062	4	359,949	(170,427)	(751)	188,775
Issuance of common stock for cash, net of issuance costs of $ 8,096	16,774,193	2	121,902	—	—	121,904
Stock options exercised for cash	111,206	—	325	—	—	325
Issuance of warrant with Term Loan	—	—	1,132	—	—	1,132
Unrealized gain on marketable securities	—	—	—	—	1,063	1,063
Stock-based compensation	—	—	6,145	—	—	6,145
Net loss	—	—	—	(52,371)	—	(52,371)
Balance as of December 31, 2023	57,910,461	$ 6	$ 489,453	$ (222,798)	$ 312	$ 266,973

The accompanying notes are an integral part of these financial statements.

ACUMEN PHARMACEUTICALS, INC.
STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2023	2022
Cash flows from operating activities		
Net loss	$ (52,371)	$ (42,856)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	61	32
Stock-based compensation expense	6,145	3,061
Amortization of premiums and accretion of discounts on marketable securities, net	(3,121)	487
Change in fair value of embedded derivatives	1,360	—
Amortization of right-of-use asset	123	137
Non-cash research and development expense	739	—
Realized gain on marketable securities	(11)	—
Non-cash interest expense	145	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(369)	1,700
Other assets	(70)	(137)
Accounts payable	(261)	552
Accrued clinical trial expenses	1,670	2,570
Accrued expenses and other current liabilities	2,989	(562)
Finance lease liability	17	—
Operating lease liability	(110)	(137)
Net cash used in operating activities	(43,064)	(35,153)
Cash flows from investing activities		
Purchases of marketable securities	(250,634)	(41,514)
Proceeds from maturities and sales of marketable securities	78,981	80,860
Proceeds from sale of property and equipment	3	—
Purchases of property and equipment	(21)	(161)
Net cash provided by (used in) investing activities	(171,671)	39,185
Cash flows from financing activities		
Proceeds from issuance of common stock, net of issuance costs	121,904	3,792
Proceeds from Term Loan	30,000	—
Payments for financing costs	(476)	—
Proceeds from exercise of stock options	325	115
Net cash provided by financing activities	151,753	3,907
Net change in cash and cash equivalents and restricted cash	(62,982)	7,939
Cash and cash equivalents and restricted cash at the beginning of the period	130,101	122,162
Cash and cash equivalents and restricted cash at the end of the period	$ 67,119	$ 130,101
Supplemental disclosure of cash flow information		
Cash paid for income taxes	$ —	$ —
Cash paid for interest	$ 169	$ —
Supplemental disclosure of noncash financing activities		
Right-of-use assets obtained in exchange for finance lease liabilities	$ 739	$ —
Right-of-use assets obtained in exchange for operating lease liabilities	$ 399	$ 242
Issuance of warrant with Term Loan	$ 1,132	$ —

The accompanying notes are an integral part of these financial statements.

ACUMEN PHARMACEUTICALS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF ORGANIZATION AND BUSINESS OPERATIONS

Acumen Pharmaceuticals, Inc. ("Acumen" or the "Company") was incorporated in 1996 in the state of Delaware. Acumen is a clinical-stage biopharmaceutical company developing a novel disease-modifying approach to target what the Company believes to be a key underlying cause of Alzheimer's disease ("AD"). Alzheimer's disease is a progressive neurodegenerative disease of the brain that leads to loss of memory and cognitive functions and ultimately results in death. The Company's scientific founders pioneered research on soluble amyloid-beta oligomers ("AßOs"), which are globular assemblies of the amyloid-beta ("Aß") peptide that are distinct from Aß monomers and amyloid plaques. Based on decades of research and supporting evidence, AßOs have gained increasing scientific acceptance as a primary toxin involved in the initiation and propagation of AD pathology. The Company is currently focused on advancing a targeted immunotherapy drug candidate, sabirnetug, in clinical development following Phase 1 results in "early AD" patients (patients with mild cognitive impairment or mild dementia due to Alzheimer's pathology) that were reported in July 2023. Sabirnetug is a recombinant humanized immunoglobulin gamma 2 ("IgG2") monoclonal antibody ("mAb") that was designed to selectively target AßOs, has demonstrated functional and protective effects in in vitro assays, and has demonstrated in vivo safety and pharmacologic activity in multiple animal species, including transgenic mouse models for AD.

The Company is subject to the uncertainty of whether its intellectual property will develop into successful commercial products.

Public Offering

On July 21, 2023, the Company issued 16,774,193 shares of its common stock, $ 0.0001 par value per share ("Common Stock"), in a public offering (the "Offering") at a price of $ 7.75 per share. The aggregate net proceeds from the Offering, after underwriting discounts and commissions and other offering expenses, were $ 121.9 million. See additional discussion in *Note 8. Stockholders' Equity.*

Liquidity and Capital Resources

The Company has incurred operating losses since inception and expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. As of December 31, 2023 and 2022, the Company had an accumulated deficit of $ 222.8 million and $ 170.4 million, respectively, and working capital of $ 233.6 million and $ 172.5 million, respectively. During 2023, the Company received cash from the Offering and borrowings with net proceeds of $ 29.5 million under a term loan facility (see *Note 6. Debt*). Management believes that the Company has sufficient cash to continue operating activities for beyond 12 months from issuance of these financial statements.

Future capital requirements will depend upon many factors, including the timing and extent of spending on research and development and market acceptance of the Company's products, if approved for commercial sale. The Company expects that it will need to obtain additional financing to complete clinical trials and launch and commercialize any product candidates for which it receives regulatory approval. Until such time, if ever, as the Company can generate revenue sufficient to achieve profitability, the Company expects to finance its operations through a combination of equity offerings, debt financings, collaborations, strategic alliances and licensing arrangements. There can be no assurance that any such financing will be available on terms acceptable to the Company, or at all. To the extent that the Company raises additional capital through the sale of equity or convertible debt securities, the ownership interest of its stockholders will be diluted, and the terms of these securities may include liquidation of other preferences that adversely affect the rights of common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting the Company's ability to take specific actions, such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. If the Company is unable to maintain sufficient financial resources, its business, financial condition and results of operations will be materially and adversely affected. The Company may be required to delay, limit, reduce or terminate its product discovery and development activities or future commercialization efforts.

The Company completed a Phase 1 clinical trial of sabirnetug in the second quarter of 2023, which the Company named "INTERCEPT-AD." This trial enrolled 65 patients with "early AD" and 62 participants received at least one dose of study drug. INTERCEPT-AD was a U.S.-based, multi-center, randomized, double-blind, placebo-controlled clinical trial with overlapping single ascending dose and multiple ascending dose cohorts evaluating patients with early AD. In July 2023, the

Company announced topline results from INTERCEPT-AD, which demonstrated that sabirnetug met the primary and secondary objectives of this study in 62 participants with early AD. The Company expects to initiate a Phase 2 clinical trial of sabirnetug called “ALTITUDE-AD” in the first half of 2024.

NOTE 2. BASIS OF PRESENTATION, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Basis of Presentation

The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). In the opinion of management, all adjustments (consisting of normal recurring adjustments) have been made that are necessary to present fairly the Company’s financial position, and the results of its operations and its cash flows.

Emerging Growth Company

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the impact of recently issued standards that are not yet effective will not have a material impact on the Company’s financial statements upon adoption. Under the Jumpstart Our Business Startups Act of 2012, as amended, the Company meets the definition of an emerging growth company and has elected to use the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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, as well as the reported amounts of expenses during the reporting periods. These estimates and assumptions are based on the Company’s historical experience, and on various other factors that management believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources.

Actual results may differ from these estimates under different assumptions or conditions. To the extent there are material differences between the estimates and actual results, the Company’s future results of operations will be affected. The more significant estimates and assumptions by management include, among others: the valuation allowance of deferred tax assets resulting from net operating losses, the valuation of stock options, the valuation of the warrant to purchase Common Stock and the valuation of embedded derivatives within the Company’s debt, long-term.

Cash and Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. All of the Company’s cash equivalents have liquid markets and high credit ratings. The Company had $ 66.2 million and $ 129.1 million in cash equivalents as of December 31, 2023 and 2022, respectively.

Restricted cash primarily consists of deposited cash collateral for the Company’s credit card program.

The following table provides a reconciliation of cash, cash equivalents and restricted cash from the balance sheets to the statements of cash flows (in thousands):

	December 31,	
	2023	2022
Cash and cash equivalents	$ 66,886	$ 130,101
Restricted cash	233	—
Total cash, cash equivalents and restricted cash	$ 67,119	$ 130,101

Marketable Securities

The Company's marketable securities portfolio consists primarily of investments in money market funds, asset-backed securities, U.S. treasury and agency securities and short-term highly liquid, high credit quality corporate debt securities. The Company considers its marketable securities to be available-for-sale. Available-for-sale securities are classified as cash equivalents, or as short-term or long-term marketable securities based on the maturity date at the time of purchase and their availability to meet current operating requirements. Available-for-sale securities that mature in three months or less from the date of purchase are classified as cash equivalents. Available-for-sale securities, excluding cash equivalents, that mature in one year or less are classified as short-term marketable securities and those that mature in more than one year are classified as long-term.

Securities that are classified as available-for-sale are measured at fair value; see " *Fair Value of Financial Instruments*" below. Any premium arising at purchase is amortized to the earliest call date and any discount arising at purchase is accreted to maturity. Amortization of premiums and accretion of discounts are recorded along with interest income on investments in interest income, net in the statements of operations and comprehensive loss. Unrealized gains and losses are excluded from earnings and are reported as a component of other comprehensive income. The cost of investments sold will be calculated using the specific-identification method.

For securities available-for-sale, Accounting Standards Update 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* eliminates the concept of other-than-temporary impairment and instead requires entities to determine if impairment is related to credit loss or non-credit loss. In making the assessment of whether a loss is from credit or other factors, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency and adverse conditions related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows is less than the amortized cost basis, a credit loss exists and an allowance is created, limited by the amount that the fair value is less than the amortized cost basis. Subsequent activity related to the credit loss component in the form of write-offs or recoveries is recognized as part of the allowance for credit losses on securities available-for-sale. The Company has made the accounting policy election to exclude accrued interest receivable on securities from the estimate of credit losses and will record a credit loss expense for accrued interest receivable in the period when a credit loss is recorded for the related securities. Management determined that the Company did not require an allowance for credit losses for available-for-sale securities as of December 31, 2023 or 2022, as only a small number of investments had a present value of cash flows expected to be collected in excess of the amortized cost, and the aggregate amount of this credit loss was immaterial. The Company did not have any related write-offs or recoveries for the years ended December 31, 2023 and 2022.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash, cash equivalents and marketable securities. The Company maintains deposits in financial institutions in excess of government insured limits. Management believes that the Company is not exposed to significant credit risk as the Company's cash and cash equivalents are held at financial institutions that management believes to be of high credit quality. The Company has not experienced any losses due to credit risk on such accounts during any of the periods presented.

Fair Value of Financial Instruments

The Company's financial assets and liabilities are accounted for in accordance with Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs when measuring fair value and classifies those inputs into three levels:

Level 1 — Observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than Level 1 inputs that are either directly or indirectly observable, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the instrument's anticipated life.

Level 3 — Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair values requires more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized as Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. There were no transfers made among the three levels in the fair value hierarchy for the years ended December 31, 2023 and 2022.

The carrying values reported in the balance sheets for cash (excluding cash equivalents which are recorded at fair value on a recurring basis), restricted cash, accounts payable, accrued clinical trial expenses and accrued expenses are reasonable estimates of their fair values due to the short-term nature of these items.

The carrying amount of the Company's long-term debt approximates fair value due to its variable market interest rate and management's opinion that current rates and terms that would be available to the Company with the same maturity and security structure would be essentially equivalent to that of the Company's long-term debt. Certain features of the term loan were determined to be an embedded derivative requiring separate measurement from the loan host instrument.

Property and Equipment

Property and equipment are stated at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, including leasehold improvements and finance lease right-of-use assets that are amortized over the shorter of their estimated useful lives or the terms of the respective leases. The Company generally uses the following useful lives for its property and equipment categories: three years for computer-related assets and five years for furniture. See *Note 7. Leases* for additional discussion regarding our finance lease for computer equipment .

Leases

The Company accounts for its leases under ASC 842, *Leases*. Under this guidance, arrangements meeting the definition of a lease are classified as operating or finance leases and are recorded in the balance sheet at the commencement date as both a right-of-use asset and a lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and right-of-use assets are amortized over the lease term, or, for finance leases, over the shorter of the lease term or the estimated useful life of the assets. For operating leases, interest on the lease liability and the amortization of the right-of-use asset results in straight-line rent expense over the lease term. For finance leases, the right-of-use asset is amortized on a straight-line basis and the amortization is presented as an operating expense separately from interest expense on the lease liability. Variable lease expenses are recorded when incurred and not included in the measurement of right-of-use assets and lease liabilities.

ASC 842 provides practical expedients for an entity's ongoing accounting. In calculating right-of-use assets and lease liabilities, the Company has elected to combine lease and non-lease components for real estate leases, but has not elected to combine lease and non-lease components for computer equipment leases. Additionally, the Company has elected not to

recognize a right-of-use asset or lease liability for leases with an initial term of 12 months or less. For short-term leases, the Company recognized lease payments on a straight-line basis over the lease term.

Debt Discount and Debt Issuance Costs

The debt discount, which reduces the related debt balance in the balance sheets, is comprised of debt issuance costs, contractual fees due upon repayment of the debt, the issuance date fair value of warrants issued with the debt and the issuance date fair value of any derivatives that are bifurcated from the debt. Debt issuance costs include direct costs (e.g., legal costs and bank fees) incurred to issue non-revolving debt instruments. The debt discount is amortized to interest expense over the contractual term of the related debt using the effective interest method.

Embedded Derivatives

The Company evaluates embedded derivatives within debt to determine whether the embedded derivatives should be bifurcated from the host instrument and accounted for as a derivative at fair value that will be remeasured at each reporting period for the term of the loan, with changes in fair value recorded in the statements of operations and comprehensive loss. Management initially assesses the probability of the occurrence of trigger events for bifurcated embedded derivatives in determining fair value. The probability is reassessed at each reporting period during the term of a loan.

Common Stock Warrant

The Company assesses whether warrants issued require accounting as derivatives. The Company determined that its warrant to purchase Common Stock is not a liability within the scope of ASC 480, *Distinguishing Liabilities from Equity*, but met the requirements to be classified within stockholders' equity, as the warrant is indexed to the Company's own stock and met all of the conditions for equity classification in accordance with ASC 815, *Derivatives and Hedging*.

Research and Development Expenses

Research and development ("R&D") expenses primarily consist of consultants and materials, biologic storage, salaries and other personnel-related expenses related to R&D activities and are expensed as incurred. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected on the balance sheets as prepaid or accrued expenses. The Company records accruals for estimated ongoing research costs. When evaluating the adequacy of the accrued liabilities, the Company analyzes progress of the studies, including the phase or completion of events, invoices received and contracted costs.

Clinical trial costs are a significant component of R&D expenses and include costs associated with third-party contractors. The Company accrues and expenses costs for clinical trial activities performed by third parties based upon the work completed to date for each clinical trial in accordance with established agreements. The Company determines its costs through discussions with internal clinical stakeholders and outside service providers as to the progress or stage of completion of clinical trials or services and the contracted fee to be paid for such services. In the event advance payments are made to an outside service provider, the payments are recorded within prepaid expenses and other current assets in the balance sheets and subsequently recognized as R&D expense in the statements of operations and comprehensive loss when the associated services have been performed. As actual costs become known, the Company adjusts its estimates, liabilities and assets. Inputs used in the determination of estimates discussed above may vary from actual, which will result in adjustments to R&D expense in future periods.

Stock-based Compensation

The Company expenses stock-based compensation to employees, non-employees and board members over the requisite service period based on the estimated grant date fair value of the awards and actual forfeitures. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, which requires the use of a number of complex assumptions including the fair value of the Common Stock, expected volatility, risk-free interest rate, expected dividends, and the expected term of the option. The fair value of restricted stock units ("RSUs") is the closing market price of the Common Stock on the date of the grant. The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. Stock-based awards with graded-vesting schedules are recognized on a straight-line basis over the requisite service period.

All stock-based compensation costs are recorded in research and development expense or general and administrative expense in the Statements of Operations and Comprehensive Loss based upon the respective employee's or non-employee's roles within the Company. Forfeitures are recorded as they occur. See also *Note 9. Stock-based Compensation* below.

Income Taxes

Income taxes are recorded in accordance with ASC 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse, and net operating loss ("NOL") carryforwards and R&D tax credit carryforwards. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company has recorded a full valuation allowance to reduce its net deferred income tax assets to zero . In the event the Company were to determine that it would be able to realize some or all of its deferred income tax assets in the future, an adjustment to the deferred income tax asset valuation allowance would increase income in the period such determination was made.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company has not recorded any liabilities related to uncertain tax positions as of December 31, 2023 and 2022. The Company's policy is to record interest and penalties, if any, as part of income tax benefit. No interest or penalties were recorded during the years ended December 31, 2023 and 2022.

Net Loss Per Share of Common Stock

Basic net loss per share of common stock is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share of common stock includes the effect, if any, from the potential exercise or conversion of securities, such as convertible debt, stock options, restricted stock units and warrants, which would result in the issuance of incremental shares of common stock. However, potential shares of common stock are excluded if their effect is anti-dilutive. For diluted net loss per share, the weighted-average number of shares of common stock is the same for basic net loss per share due to the fact that when a net loss exists, dilutive securities are not included in the calculation as the impact is anti-dilutive. For the year ended December 31, 2023, potential common shares consisted of stock options, restricted stock units, convertible debt and a warrant to purchase Common Stock. For the year ended December 31, 2022, potential shares of common stock consisted of stock options.

Potentially dilutive securities not included in the calculation of diluted net loss per share of common stock as of the periods presented, because to do so would be anti-dilutive, were as follows:

	December 31,	
	2023	2022
Shares issuable upon exercise of stock options	7,523,947	5,610,893
Shares issuable upon conversion election for Term Loan	988,142	—
Shares issuable upon exercise of warrant	730,769	—
Unvested RSUs	328,500	—
Total	9,571,358	5,610,893

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business in one segment.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* , which was codified with its subsequent amendments as ASC 326. ASC 326 seeks to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments, including trade receivables, and other commitments to extend credit held by a reporting entity at each reporting date. The amendments require an entity to replace the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects current expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The Company adopted this guidance on January 1, 2023. The Company's marketable securities portfolio consists entirely of available-for-sale debt securities and, as such, the adoption of this guidance did not have a material impact on its financial statements and disclosures upon adoption, but it did require the Company to provide additional disclosures related to its available-for-sale debt securities in a continuous unrealized loss position.

In August 2020, the FASB issued ASU 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), to address the complexity associated with applying U.S. GAAP to certain financial instruments with characteristics of liabilities and equity. ASU 2020-06 includes amendments to the guidance on convertible instruments and the derivative scope exception for contracts in an entity's own equity and simplifies the accounting for convertible instruments, which include beneficial conversion features or cash conversion features by removing certain separation models in Subtopic 470-20. Additionally, ASU 2020-06 requires entities to use the "if-converted" method when calculating diluted earnings per share for convertible instruments. The Company early adopted this guidance on January 1, 2023, with no impact to the financial statements or results of operations of the Company.

NOTE 3. MARKETABLE SECURITIES

The Company's marketable securities consisted of the following (in thousands):

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities, short-term				
Corporate debt securities	$ 144,184	$ 97	$ (191)	$ 144,090
Government and agency - U.S. securities	32,470	82	(6)	32,546
Total available-for-sale securities, short-term	176,654	179	(197)	176,636
Available-for-sale securities, long-term				
Corporate debt securities	57,240	320	(15)	57,545
Government and agency - U.S.	4,985	23	—	5,008
Total available-for-sale securities, long-term	62,225	343	(15)	62,553
Total available-for-sale securities	$ 238,879	$ 522	$ (212)	$ 239,189

	December 31, 2022			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities, short-term				
Corporate debt securities	$ 30,174	$ —	$ (249)	$ 29,925
Government and agency - U.S. securities	15,032	—	(357)	14,675
Asset-backed securities	3,006	—	(102)	2,904
Total available-for-sale securities, short-term	48,212	—	(708)	47,504
Available-for-sale securities, long-term				
Corporate debt securities	15,880	—	(43)	15,837
Total available-for-sale securities, long-term	15,880	—	(43)	15,837
Total available-for-sale securities	$ 64,092	$ —	$ (751)	$ 63,341

The following tables summarize the amount of unrealized losses, defined as the amount by which the amortized cost exceeds fair value, and the related fair value of available-for-sale marketable securities with unrealized losses, which have been segregated into two categories: those that have been in a continuous unrealized loss position for less than 12 months and those that have been in a continuous unrealized loss position for 12 or more months (in thousands):

	December 31, 2023					
	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	$ 78,995	$ (152)	$ 12,074	$ (54)	$ 91,069	$ (206)
Government and agency - U.S. securities	5,585	(6)	—	—	5,585	(6)
Total	$ 84,580	$ (158)	$ 12,074	$ (54)	$ 96,654	$ (212)

	December 31, 2022					
	Less than 12 Months		Greater than 12 Months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	$ 29,515	$ (58)	$ 16,247	$ (234)	$ 45,762	$ (292)
Asset-backed securities	—	—	2,904	(102)	2,904	(102)
Government and agency - U.S. securities	3,026	(7)	11,649	(350)	14,675	(357)
Total	$ 32,541	$ (65)	$ 30,800	$ (686)	$ 63,341	$ (751)

As of December 31, 2023, the Company's available-for-sale securities classified as short-term mature in one year or less and the Company's available-for-sale securities classified as long-term mature within two years . As noted in the table above, although some of the Company's available-for-sale marketable securities as of December 31, 2023 have been in an unrealized loss position for more than 12 months, the Company does not intend to sell these securities and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases, which may be at maturity. No credit losses were recognized on the Company's available-for-sale securities during the years ended December 31, 2023 and 2022. The Company recorded an immaterial realized gain during the year ended December 31, 2023 and had no realized gains or losses during the year ended December 31, 2022.

NOTE 4. FAIR VALUE MEASUREMENTS

The Company's financial assets and liabilities subject to fair value measurement on a recurring basis and the level of inputs used for such measurements were as follows (in thousands):

	Fair value measurements at reporting date using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2023
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 66,207	$ —	$ —	$ 66,207
Marketable securities				
Corporate debt securities	—	201,635	—	201,635
U.S. treasury securities	—	37,554	—	37,554
Total fair value	$ 66,207	$ 239,189	$ —	$ 305,396
Liabilities included in:				
Debt, long-term				
Embedded derivative liabilities	$ —	$ —	$ 2,560	$ 2,560
Total fair value	$ —	$ —	$ 2,560	$ 2,560

	Fair value measurements at reporting date using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2022
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 129,100	$ —	$ —	$ 129,100
Marketable securities				
Corporate debt securities	—	45,762	—	45,762
Asset-backed securities	—	2,904	—	2,904
Government and agency - U.S.	—	14,675	—	14,675
Total fair value	$ 129,100	$ 63,341	$ —	$ 192,441

The fair value of the Company's money market funds is determined using quoted market prices in active markets for identical assets.

The fair value for the available-for-sale marketable securities is determined based on valuation models using inputs that are observable either directly or indirectly (Level 2 inputs), such as quoted prices for similar assets or liabilities, yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments or debt, broker and dealer quotes, as well as other relevant economic measures.

The following table presents changes in Level 3 liabilities measured at fair value for the year ended December 31, 2023 (in thousands):

Balance, January 1, 2023	$ —
Fair value of embedded derivatives at issuance of Term Loan	1,200
Change in fair value of embedded derivatives	1,360
Balance, December 31, 2023	$ 2,560

For the year ended December 31, 2023, the fair value of the embedded derivatives in the Term Loan has been estimated using the Monte Carlo model. A summary of the weighted-average significant unobservable inputs (Level 3 inputs) used in measuring the embedded derivatives in the Term Loan as of December 31, 2023 and November 10, 2023 (inception) is as follows:

	December 31, 2023	November 10, 2023
Conversion price	$ 2.53	$ 2.53
Expected term (in years)	4.7	4.9
Expected equity volatility	106.7 %	102.5 %
Risk-free interest rate	3.9 %	4.7 %
Discount for lack of marketability	11.5 %	9.5 %
Expected dividend yield	0 %	0 %

NOTE 5. SUPPLEMENTAL FINANCIAL INFORMATION

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31,	
	2023	2022
Research and development service agreements	$ 1,680	$ 1,077
Prepaid insurance	807	1,106
Interest receivable	225	—
Dues and subscriptions	175	105
Prepaid raw materials	98	199
Other	108	237
Total prepaid expenses and other current assets	$ 3,093	$ 2,724

Accrued expenses and other current liabilities consisted of the following (in thousands):

	December 31,	
	2023	2022
Compensation and other employee liabilities	$ 3,692	$ 2,008
Research and development	2,186	1,211
Interest	249	—
Other	212	131
Total accrued expenses and other current liabilities	$ 6,339	$ 3,350

NOTE 6. DEBT

Term Loan

On November 10, 2023, the Company entered into a Loan and Security Agreement with K2 HealthVentures LLC (the "Loan Agreement"). The Loan Agreement provided the Company with a term loan facility (the "Term Loan") in the aggregate principal amount of $ 50.0 million, of which the Company borrowed $ 30.0 million in the first tranche upon closing. The remaining $ 20.0 million is available for borrowing upon the Company's request based on review of certain information and discretionary approval from the lenders. The Loan Agreement bears interest per annum at the greater of 9.65 % or the sum of the prime rate last quoted in The Wall Street Journal plus 1.15 % for such interest period and the principal amount of Term Loan outstanding under the Loan Agreement. The Term Loan matures on November 1, 2027, and can be extended to November 1, 2028, if the Company achieves certain financing milestones. The Loan Agreement provides for a final payment fee of an additional $ 1.6 million (the "Final Payment") due upon repayment of the Term Loan.

The principal and interest of the Term Loan are to be repaid in equal monthly installments beginning on July 1, 2026 through the maturity of the Loan Agreement. The Loan Agreement allows prepayments of the entire Term Loan or a portion of the Term Loan of more than $ 5.0 million, provided that any partial prepayment will leave outstanding borrowings of at least $ 15.0 million.

The lenders can elect to convert up to $ 2.5 million of the Term Loan (the "Conversion Amount") to Common Stock at a conversion price of $ 2.53 (the "Conversion Option"). If the lenders elect to convert the Conversion Amount upon the Next Qualified Financing, as defined in the Loan Agreement whereby the Company receives aggregate gross proceeds of at least $ 20.0 million, the conversion price will equal the lowest effective cash price per share of securities issued in such Qualified Financing (the "Share-Settled Redemption"). The Conversion Option and Share-Settled Redemption within the Loan Agreement are required to be bifurcated as a single compound embedded derivative (the "Embedded Derivatives") at fair value, with subsequent changes in fair value recognized in the statements of operations and comprehensive loss.

In accordance with the Loan Agreement, the Company issued an equity-classified warrant to purchase 730,769 shares of Common Stock (the "Loan Warrant"), with an initial allocated fair value of $ 1.1 million. See additional discussion in *Note 8. Stockholders' Equity.*

The initial recognition of the direct fees of $ 0.5 million, the Final Payment of $ 1.6 million, the fair value of the Embedded Derivatives of $ 1.2 million and the fair value of the Loan Warrant of $ 1.1 million for the Loan Agreement resulted in a discount of $ 4.4 million, which is being amortized to interest expense over the term of the Loan Agreement using the effective interest method.

Outstanding debt consisted of the following (in thousands):

	December 31, 2023
Principal value of Term Loan, including final payment of $ 1,635	$ 31,635
Fair value of bifurcated embedded derivatives	2,560
Unamortized debt discount	(4,298)
Total debt, long-term	$ 29,897

The following table provides the components of interest expense (in thousands):

	Year Ended December 31, 2023
Interest expense based on the coupon interest rate of the outstanding debt	$ 418
Accretion of debt discount	145
Total interest expense	$ 563

For the year ended December 31, 2023, the effective interest rate for the Term Loan was 14.3 %.

As of December 31, 2023, the aggregate principal payments due for the Term Loan by year are as follows (in thousands):

Year ended December 31, 2026	$	10,104
Year ended December 31, 2027		21,531
Total principal payment due for Term Loan	$	31,635

NOTE 7. LEASES

Office leases

On September 11, 2023, the Company entered into a lease for office space in Newton, Massachusetts, with a lease term of approximately 38 months beginning October 20, 2023, and which expires on December 31, 2026.

On September 28, 2022, the Company entered into a lease for office space in Charlottesville, Virginia with a lease term of 15 months beginning October 1, 2022. On December 1, 2022, the Company entered into a lease for additional office space in the same building in Charlottesville, Virginia with a lease term of 12 months beginning on January 1, 2023. There is no automatic renewal for either of the Charlottesville, Virginia leases, but the lease agreements provide that any holdover tenancy shall be on a month-to-month basis thereafter.

The Company had been subleasing space in Carmel, Indiana since March 1, 2020. The Company executed a new sublease for this space that was effective on February 1, 2021 and expired on August 30, 2023, at which time the Company ceased to occupy this space. The Company allowed others to sublease a portion of the space from the Company for less than a one-year period. The Company recognizes sublease income in other expense, net in the statements of operations and comprehensive Loss.

Computer Equipment Lease

In September 2023, the Company entered into an agreement with a vendor that included the lease of certain computer equipment for its planned Phase 2 clinical trial with an October 2023 lease commencement date. In January 2024, the Company paid $ 0.8 million for the computer equipment which will be returned to the vendor at the completion of the vendor's services under the agreement. Upon the lease inception, the Company recorded non-cash expense of $ 0.7 million in research and development expense in the statement of operations and comprehensive loss for the right-of-use assets related to the computer equipment lease as the equipment is being used for R&D and does not have an alternative future use.

The following table summarizes quantitative information about the Company's leases (in thousands):

	Year Ended December 31,	
	2023	2022
Finance lease		
Interest lease cost	$ 17	$ —
Finance lease expense	17	—
Operating leases		
Operating lease cost	133	154
Less: sublease income	(5)	(43)
Operating lease expense	128	111
Short-term lease rent expense	15	13
Total rent expense	$ 160	$ 124

Supplemental information related to leases was as follows (dollar amounts in thousands):

	Year Ended December 31,	
	2023	2022
Operating cash flows from finance lease	$ 17	$ —
Operating cash flows from operating leases	$ 121	$ 154
Right-of-use assets obtained in exchange for finance lease liabilities	$ 739	$ —
Right-of-use assets obtained in exchange for operating lease liabilities	$ 399	$ 242
Noncash research and development expense for the right-of-use assets (finance lease)	$ 739	—
Weighted-average remaining lease term – finance leases (in years)	3.8	—
Weighted-average remaining lease term – operating leases (in years)	3.0	0.7
Weighted-average discount rate – finance leases	9.7 %	—
Weighted-average discount rate – operating leases	9.7 %	10.0 %

As of December 31, 2023, the present value of maturities of the Company's finance lease liabilities were as follows (in thousands):

Year ended December 31, 2024	$ 763
Total	763
Less: present value discount	(7)
Finance lease liability	$ 756

As of December 31, 2023, the present value of maturities of the Company's operating lease liabilities were as follows (in thousands):

Year ended December 31, 2024	$ 143
Year ended December 31, 2025	155
Year ended December 31, 2026	158
Total	456
Less: present value discount	(63)
Operating lease liability	$ 393

NOTE 8. STOCKHOLDERS' EQUITY

Authorized Shares

As of December 31, 2023, the total number of shares of capital stock authorized to be issued per the Company's Amended and Restated Certificate of Incorporation is 310,000,000 , with 10,000,000 shares designated as preferred stock with a par value of $ 0.0001 , and 300,000,000 shares designated as Common Stock. Each share of Common Stock issued and outstanding is entitled to one vote.

Public Offering

On July 21, 2023, the Company issued 16,774,193 shares of its Common Stock in a public offering (the "Offering") at a price of $ 7.75 per share. The aggregate net proceeds from the Offering, after underwriting discounts and commissions and other offering expenses, were $ 121.9 million.

Shelf Registration and At-The-Market Equity Offering

On July 1, 2022, the Company filed a shelf registration statement on Form S-3 (the "Registration Statement"). Pursuant to the Registration Statement, the Company may offer and sell securities having an aggregate public offering price of up to $ 200.0 million. In connection with the filing of the Registration Statement, the Company also entered into a sales agreement (the "Sales Agreement") with BofA Securities, Inc. ("BofA") and Stifel, Nicolaus & Company, Incorporated ("Stifel"), as sales agents, pursuant to which the Company may issue and sell shares of its Common Stock for an aggregate offering price of up to $ 50.0 million under an at-the-market offering program (the "ATM"), which is included in the $ 200.0 million of securities that may be offered pursuant to the Registration Statement. On April 23, 2023, the Company entered into an amendment to the Sales Agreement (as amended, the "Amended Sales Agreement") to add BTIG, LLC ("BTIG") as a sales agent under the Amended Sales Agreement (BTIG, together with BofA and Stifel, the "Sales Agents"). Pursuant to the Amended Sales Agreement, the Company will pay the Sales Agents a commission rate of up to 3.0 % of the gross proceeds from the sale of any shares of Common Stock. The Company is not obligated to make any sales of shares of its common stock under the ATM.

The Company did not sell any shares of its Common Stock under the ATM during the year ended December 31, 2023. In October 2022, the Company issued 422,160 shares of common stock under the ATM for net proceeds of $ 3.8 million, at a weighted average price of $ 10.06 per share. See additional discussion in *Note 12. Subsequent Events.*

Common Stock Warrant

On November 10, 2023, in accordance with the Loan Agreement, the Company issued the Loan Warrant to purchase 730,769 shares of Common Stock at an exercise price of $ 1.95 with a ten-year contractual term and an allocated fair value of $ 1.1 million. This warrant is outstanding as of December 31, 2023. In accordance with ASC 815, the Loan Warrant issued in 2023 did not meet the definition of a derivative and was classified in stockholders' equity in the balance sheet.

The Black-Scholes option-pricing model was used to estimate the fair value of the warrant on November 10, 2023 with the following weighted average assumptions:

Risk-free interest rate	4.6 %
Contractual term (in years)	10
Expected volatility	98.4 %
Expected dividend yield	0 %

NOTE 9. STOCK-BASED COMPENSATION

2021 Equity Incentive Plan

The 2021 Equity Incentive Plan (the "2021 Plan"), which provides for the grant of incentive stock options to employees, and the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of stock awards to employees, directors and consultants, became effective on June 30, 2021. The 2021 Plan is a successor to the Company's Amended and Restated Stock Performance Plan that was adopted by the Company's board of directors ("Board") and stockholders on April 8, 2013 (as amended from time to time, most recently on November 20, 2020, the "2013 Plan"). Following the effectiveness of the 2021 Plan, no further grants may be made under the 2013 Plan; however, any outstanding equity awards granted under the 2013 Plan continue to be governed by the 2013 Plan. As of December 31, 2023, there were 3,231,274 options outstanding under the 2013 Plan.

The number of shares of Common Stock reserved for issuance under the 2021 Plan automatically increases on January 1 of each calendar year through January 1, 2031, in an amount equal to 5 % of the total number of shares of Common Stock outstanding on December 31 of the fiscal year before the date of each automatic increase, or a lesser number of shares determined by the Board prior to the applicable January 1. On January 1, 2023, the number of shares of Common Stock reserved for issuance under the 2021 Plan automatically increased by 2,051,253 shares.

The maximum number of shares of Common Stock that may be issued upon the exercise of incentive stock options under the 2021 Plan is 12,000,000 . As of December 31, 2023, 11,773,198 shares were authorized for issuance under the 2021 Plan and 3,674,730 shares remained available for issuance under the 2021 Plan.

The Company recorded stock-based compensation expense related to stock options and RSUs in the following expense categories of the statements of operations and comprehensive loss for the periods shown (in thousands):

	Year Ended December 31,	
	2023	2022
General and administrative	$ 4,288	$ 2,163
Research and development	1,857	898
Total stock-based compensation	$ 6,145	$ 3,061

Stock Options

The Black-Scholes option-pricing model was used to estimate the fair value of stock options granted during the years ended December 31, 2023 and 2022 with the following weighted average assumptions:

	Year Ended December 31,	
	2023	2022
Risk-free interest rate	3.5 % – 4.7 %	1.7 % – 4.2 %
Expected term (in years)	5.5 – 6.1	5.8 – 6.1
Expected volatility	90 % - 98 %	90 %
Expected dividend yield	0 %	0 %

The weighted average grant date fair value of options granted during the years ended December 31, 2023 and 2022 was $ 4.38 per share and $ 3.79 per share, respectively.

Stock options granted after December 31, 2017 generally vest monthly over a range of 12 to 48 months or vest monthly over a total of 48 months following a one-year cliff and all have a ten-year contractual term. During the year ended December 31, 2023, the Company also issued option awards to members of its Board that vest in full on the first anniversary of the grant date. Stock options granted prior to December 31, 2017 were either fully vested upon grant or generally vested monthly over a range of three to 24 months and have a ten-year term. The Company became publicly traded in July 2021 and lacks sufficient company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility using a weighted average blend of historical volatility of a publicly traded set of peer companies, as well as its own historical volatility. Due to the lack of historical exercise history, the expected term of the Company's stock options has been determined using the "simplified" method for awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

The following table reflects summarized stock option activity:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2023	5,610,893	$ 3.36		
Granted	2,045,000	$ 5.76		
Exercised	(111,206)	$ 2.92		
Forfeited	(14,489)	$ 2.88		
Expired	(6,251)	$ 8.33		
Outstanding at December 31, 2023	7,523,947	$ 4.01	7.7	$ 9,004
Vested and exercisable at December 31, 2023	4,021,147	$ 3.17	7.1	$ 7,055

The intrinsic value of stock options exercised during the years ended December 31, 2023 and 2022 was approximately $ 0.5 million and $ 0.6 million, respectively. As of December 31, 2023, total unrecognized compensation costs related to unvested stock option awards granted was approximately $ 12.3 million, which the Company expects to recognize over a weighted-average period of approximately 2.2 years.

Restricted Stock Units

In January 2023, the Company granted a RSU award to each of its then-current employees. These RSU awards vest in equal annual installments on the first three anniversaries of the grant date.

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2023	—	$ —
Granted	328,500	$ 6.11
Unvested at December 31, 2023	328,500	$ 6.11

As of December 31, 2023, total unrecognized compensation costs related to unvested RSUs was approximately $ 1.4 million, which the Company expects to recognize over a weighted-average period of approximately 2.1 years.

Employee Stock Purchase Plan

The 2021 Employee Stock Purchase Plan (the “ESPP”), which permits employees to purchase shares of Common Stock, became effective on June 30, 2021. The number of shares of Common Stock reserved for issuance automatically increases on January 1 of each calendar year through January 1, 2031, by the lesser of (1) 1 % of the total number of shares of Common Stock outstanding on the last day of the fiscal year before the date of the automatic increase, and (2) 800,000 shares; provided that before the date of any such increase, the Board may determine that such increase will be less than the amount set forth in clauses (1) and (2). On January 1, 2023, the number of shares of Common Stock reserved for issuance under the ESPP automatically increased by 410,251 shares. As of December 31, 2023, there are a total of 1,189,983 shares authorized for issuance and there have been no purchases of shares under the ESPP.

NOTE 10. INCOME TAXES

The Company has not recorded any tax provision or benefit for federal income taxes for the years ended December 31, 2023 and 2022. Current income taxes are based upon the year’s income taxable for federal and state tax reporting purposes. Deferred income taxes (benefits) are provided for certain income and expenses, which are recognized in different periods for tax and financial reporting purposes. Deferred tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the period in which the differences are expected to affect taxable income, and NOL and R&D tax credit carryforwards.

A reconciliation of the expected tax computed at the U.S. statutory federal income tax rate to the total benefit for income taxes for the years ended December 31, 2023 and 2022 is as follows:

	Year Ended December 31,	
	2023	2022
Statutory federal income tax rate	21.0 %	21.0 %
State tax, net of federal benefit	2.5	2.7
Non-deductible stock compensation	(0.4)	(0.5)
Rate change	(0.1)	(1.1)
Other	(0.5)	—
Change in valuation allowance	(22.5)	(22.1)
Income tax provision	0.0 %	0.0 %

Significant components of the Company's deferred tax assets as of December 31, 2023 and 2022 were as follows (in thousands):

	December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss	$ 16,555	$ 13,125
Capitalized R&D	13,328	6,788
Stock compensation	1,849	675
R&D credit	1,350	1,381
Intangible assets	441	—
Accruals and other temporary differences	575	179
Gross deferred tax assets	34,098	22,148
Valuation allowance	(33,661)	(22,118)
Total deferred tax assets	437	30
Deferred tax liabilities:		
Embedded debt derivative liabilities	(274)	—
Other	(163)	—
Depreciation	—	(30)
Total deferred tax liabilities	(437)	(30)
Net deferred tax assets	$ —	$ —

In assessing the realizability of deferred tax assets as of December 31, 2023 and 2022, management considered whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or the net operating loss ("NOL") carryforwards and R&D tax credit carryforwards will be used. The Company has determined that it is not more likely than not that its deferred tax assets will be realized. Accordingly, a valuation allowance for the full amount of the net deferred tax assets has been recorded as of December 31, 2023 and 2022. The change in the valuation allowance as of December 31, 2023 from December 31, 2022 is due to the pretax loss incurred for the year ended December 31, 2023.

As of December 31, 2023, the Company had approximately $ 67.2 million of NOL carryforwards available for federal tax purposes. As a result of the Tax Act of 2017, for U.S. income tax purposes, NOLs generated prior to December 31, 2017 can still be carried forward for up to 20 years, but NOLs generated after December 31, 2017 carryforward indefinitely, but are limited to 80% utilization against taxable income. Of the total federal NOLs of $ 67.2 million, $ 6.5 million will begin to expire on December 31, 2028 and $ 60.7 million will not expire.

As of December 31, 2023, the Company also had approximately $ 46.9 million of state NOL carryforwards. The state NOLs begin to expire on December 31, 2028.

As of December 31, 2023, the Company had approximately $ 1.4 million of R&D credit carryforwards available for federal tax purposes, which begin to expire on December 31, 2024.

Utilization of the NOL and R&D credit carryforwards may be subject to a substantial annual limitation due to ownership change limitations that may have occurred or that could occur in the future, as required by Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), as well as similar state provisions. These ownership changes may limit the amount of NOL and R&D credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an "ownership change" as defined by Section 382 of the Code results from a transaction or series of transactions over a three-year period resulting in an ownership change of more than 50% of the outstanding stock of a company by certain stockholders. The Company has not completed a formal analysis of the potential impact of Section 382 on its deferred tax assets as of December 31, 2023. Until this analysis has been completed, the Company has

not adjusted any of its deferred tax assets, including NOLs or R&D credits. The Company will reassess the amount of NOLs and credits subject to limitation under Section 382 when a study is complete. Due to the existence of the valuation allowance, future changes in the deferred tax assets related to these tax attributes will not impact the Company's effective tax rate.

The Company is subject to U.S. federal and various state taxes. Generally, the tax years remain open for examination by the federal statute under a three-year statute of limitation; however, states generally keep their statutes open for four years. However, the Company's tax years from 2004 and after are subject to examination by the United States and state taxing authorities due to the carry forward of unused NOLs and R&D credits.

NOTE 11. COMMITMENTS AND CONTINGENCIES

The Company is not a party to any material legal proceedings and is not aware of any pending or threatened claims. From time to time, the Company may be subject to various legal proceedings and claims that arise in the ordinary course of its business activities.

In November 2023, the Company entered into a Non-exclusive Collaboration and License Agreement (the "Halozyme License Agreement") with Halozyme, Inc. ("Halozyme"). Under the terms of the Halozyme License Agreement, Halozyme granted the Company a non-exclusive license to Halozyme's drug delivery technology for the development of a subcutaneous formulation of sabirnetug (such combination, the "Halozyme Product"). For the year ended December 31, 2023, the Company recorded R&D expense with an offsetting accrual in accrued expenses and other current liabilities as of December 31, 2023, for the majority of the seven-figure upfront license payment for the Halozyme Product (the "Upfront Payment"), as the Halozyme Product is in its development stage and does not have an alternative future use. See *Note 12. Subsequent Events* for more information regarding the Upfront Payment. Additionally, the Company will make milestone payments tied to achievement of certain development and commercialization milestone events with respect to the Halozyme Product, as well as milestone payments based on achievement of certain net sales levels of the Halozyme Product. The Company will also make single-digit royalty payments based on worldwide net sales of the Halozyme Product.

In November 2022, the Company entered into a License Agreement ("Lonza License Agreement") with Lonza Sales AG ("Lonza"). Under the terms of the Lonza License Agreement, Lonza granted the Company a worldwide-non-exclusive license to use Lonza's glutamine synthetase gene expression system to manufacture and commercialize sabirnetug (the "Lonza Product"). Under the terms of the Lonza License Agreement, in consideration of the licenses and consents granted to the Company, the Company paid an upfront fee of 1.0 million Swiss Francs. The Company is also required to pay certain royalties upon commercialization and annual payments on a country-by-country basis in respect of the manufacturing and sale of the Lonza Product, which include (i) a royalty of less than 1 % on net sales where Lonza manufactures the Lonza Product, (ii) an annual royalty payment in Swiss Francs in the low six-digits and a royalty of less than 1 % on net sales where the Company manufactures the Lonza Product and (iii) an annual payment in Swiss Francs in the mid six-digits per sublicense and a royalty on net sales in the low single digits where a third party manufactures the Lonza Product. These payment obligations would expire ten years from the first commercial sales of the Lonza Product in such country of sale.

NOTE 12. SUBSEQUENT EVENTS

In January 2024, the Company issued 2,068,246 shares of Common Stock under the ATM for net proceeds of $ 7.9 million, or $ 3.84 per share.

In January 2024, the Company paid the seven-figure Upfront Payment for the Halozyme Agreement. See *Note 11. Commitments and Contingencies* for additional information.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of December 31, 2023. Based on the evaluation of our disclosure controls and procedures, our management concluded that, as of December 31, 2023, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Annual Report on Form 10-K was (a) reported within the time periods specified by SEC rules and regulations, and (b) communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding any required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act, as a process designed by, or under the supervision of, our principal executive and principal financial and accounting officers and effected by our board of directors and management 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 and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate. Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in the original Internal Control—Integrated Framework updated in 2013. Based on that assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2023.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Attestation Report on Internal Control over Financial Reporting

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm on internal control over financial reporting as we are not subject to section 404(b) of the Sarbanes-Oxley Act of 2002 due to our status as a "smaller reporting company" and "Non-accelerated filer."

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item will be contained in our 2024 Proxy Statement, to be filed with the SEC not later than 120 days after the end of our fiscal year ended December 31, 2023, under the captions “Information Regarding the Board of Directors and Corporate Governance,” “Election of Directors” and “Executive Officers” and is incorporated in this report by reference.

Item 11. Executive Compensation.

The information required by this item will be set forth in the 2024 Proxy Statement under the captions “Executive Compensation” and “Director Compensation” and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item will be set forth in the 2024 Proxy Statement under the captions “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item will be set forth in the 2024 Proxy Statement under the captions “Transactions with Related Persons and Indemnification” and “Independence of the Board of Directors” and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this item will be set forth in the 2024 Proxy Statement under the caption “Ratification of Selection of Independent Registered Public Accounting Firm” and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules.

(a)(1) Financial Statements

The financial statements are included in Item 8. “Financial Statements and Supplementary Data.”

(a)(2) Financial Statement Schedules

All schedules are omitted as information required is inapplicable or the information is presented in the financial statements and the related notes.

(a)(3) Exhibits

Exhibit Number	Description of Exhibit
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K (File No. 001-40551), filed with the Securities and Exchange Commission on June 8, 2023).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3. 1 to the Company’s Current Report on Form 8-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 15, 2023).
4.1	Amended and Restated Investors’ Rights Agreement, by and among the Registrant and certain of its stockholders, dated November 20, 2020 (incorporated by reference to Exhibit 4.1 to the Company’s Registration Statement on Form S-1 (File No. 333-256945), filed with the Securities and Exchange Commission on June 9, 2021).
4.2	Description of the Company’s Common Stock (incorporated by reference to Exhibit 4.2 to the Company’s Annual Report on Form 10-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 28, 2022).
10.1†	License Agreement, by and between the Registrant and Lonza Sales AG, dated November 2, 2022 (incorporated by reference to Exhibit 10.1 to the Company ’s Annual Report on Form 10-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 27, 2023) .
10.2†	Collaboration Agreement, by and between the Registrant and Merck & Co., Inc., dated December 22, 2003, as amended and restated as of October 18, 2006 (incorporated by reference to Exhibit 10.1 to the Company’s Registration Statement on Form S-1 (File No. 333-256945), filed with the Securities and Exchange Commission on June 24, 2021).
10.3+	2021 Equity Incentive Plan and Forms of Option Grant Notice and Agreement, Exercise Notice, Early Exercise Notice and Restricted Stock Award Notice (incorporated by reference to Exhibit 10.2 to the Company’s Registration Statement on Form S-1 (File No. 333-256945), filed with the Securities and Exchange Commission on June 24, 2021).
10.4+	Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.3 to the Company ’s Annual Report on Form 10-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 28, 2022).
10.5+	2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.4 to the Company’s Registration Statement on Form S-1 (File No. 333-256945), filed with the Securities and Exchange Commission on June 24, 2021).

Exhibit Number	Description of Exhibit
10.6+	2013 Amended and Restated Stock Performance Plan (as amended through November 20, 2020) (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1 (File No. 333-256945), filed with the Securities and Exchange Commission on June 9, 2021).
10.7+	Form of Indemnification Agreement with Executive Officers and Directors (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1 (File No. 333-256945), filed with the Securities and Exchange Commission on June 24, 2021).
10.8+	Amended and Restated Executive Employment Agreement, by and between the Registrant and Daniel O'Connell (incorporated by reference to Exhibit 10.7 to the Company's Annual Report on Form 10-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 28, 2022).
10.9+	Amended and Restated Executive Employment Agreement, by and between the Registrant and Matthew Zuga (incorporated by reference to Exhibit 10.8 to the Company's Annual Report on Form 10-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 28, 2022).
10.10+	Amended and Restated Employment Agreement, by and between the Registrant and Derek Meisner (incorporated by reference to Exhibit 10. 1 to the Company's Quarterly Report on Form 10-Q (File No. 001-40551), filed with the Securities and Exchange Commission on Ma y 9, 2023).
10.11	Lease Agreement, by and between the Registrant and Price-Poore House, LLC, dated September 28, 2022 (incorporated by reference to Exhibit 10.11 t o the Company's Annual Report on Form 10-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 27, 2023).
10.12	Lease Agreement, by and between the Registrant and Price-Poore House, LLC, dated December 1, 2022 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K (File No. 001-40551), filed with the Securities and Exchange Commission on March 27, 2023).
10.13*	Lease, by and between Registrant and DIV Washington, LLC, dated September 11, 2023 .
10.14*	Non-Exclusive Collaboration and License Agreement, by and between the Re gistrant and Halozyme, Inc., dated November 5, 2023 .
10.15*	Loan and Security Agreement by and among the Registrant and the lenders party thereto, K2 Health Ventures LLC, as administrativ e agent, and Ankura T rust Company, LLC, as collateral agent, dated as of November 10, 2023.
23.1*	Consent of Ernst & Young LLP, independent registered accounting firm.
24.1*	Power of Attorney (included on signature page).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1*	Policy for Re coupment of Incentive Compensation.
101.INS*	Inline XBRL Instance Document.

Exhibit Number	Description of Exhibit
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 (embedded within the Inline XBRL document).

* Filed herewith.

† Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit have been omitted by means of marking such portions with asterisks [***] as the identified confidential portions (i) are not material and (ii) the Registrant customarily and actually treats that information as private or confidential.

\+ Indicates management contract or compensatory plan.

\# These certifications are being furnished solely to accompany this annual report pursuant to 18 U.S.C. Section 1350, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ACUMEN PHARMACEUTICALS, INC.

Date: March 26, 2024

By: /s/ Daniel O'Connell
Daniel O'Connell
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Daniel O'Connell, William Matthew Zuga and Derek Meisner, and each of them, as his or her true and lawful agents, proxies and attorneys-in-fact, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities to sign this Annual Report on Form 10-K of Acumen Pharmaceuticals, Inc., and any or all amendments thereto, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises hereby ratifying and confirming all that such agent, proxy and attorney-in-fact or any of his substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Daniel O'Connell Daniel O'Connell	Chief Executive Officer and Director *(Principal Executive Officer)*	March 26, 2024
/s/ William Matthew Zuga William Matthew Zuga	Chief Financial Officer and Chief Business Officer *(Principal Financial Officer and Principal Accounting Officer)*	March 26, 2024
/s/ Kimberlee C. Drapkin Kimberlee C. Drapkin	Director	March 26, 2024
/s/ Nathan B. Fountain Nathan B. Fountain, M.D.	Director	March 26, 2024
/s/ Jeffrey L. Ives Jeffrey L. Ives, PhD	Director	March 26, 2024
/s/ Derrell D. Porter Derrell D. Porter, M.D.	Director	March 26, 2024
/s/ Sean Stalfort Sean Stalfort	Director	March 26, 2024
/s/ Laura Stoppel Laura Stoppel, PhD	Director	March 26, 2024

Exhibit 10.13

LEASE

between

DIV WASHINGTON, LLC as Landlord

And

ACUMEN PHARMACEUTICALS, INC. as Tenant

1210-1220 Washington Street
Newton, Massachusetts

As of September 11, 2023

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List of Exhibits

LEASE

This Lease is made and entered into as of September 11, 2023, by and between **DIV WASHINGTON, LLC**, a Massachusetts limited liability company, with its principal place of business at c/o The Davis Companies, 125 High Street, Suite 2111, Boston, MA 02110 (the "**Landlord**") and **ACUMEN PHARMACEUTICALS, INC.**, a Delaware corporation, with its principal place of business at 427 Park Street, Charlottesville, VA (the "**Tenant**").

ARTICLE 1. GRANT

1.1 **Premises**. Landlord, for and in consideration of the rents herein reserved and of the covenants and agreements herein contained on the part of Tenant to be performed, hereby leases to Tenant and Tenant accepts from Landlord, certain space shown on Exhibit A attached hereto and made a part hereof, containing 3,758 rentable square feet in area (the "**Premises**"), situated on the second (2nd) floor and known as Suite 0210 of the office building located at 1210-1220 Washington Street, Newton, Massachusetts (the "**Building**"). The Premises, Building, the "**Common Areas**" (defined below) and the land upon which the same are located, which is legally described in Exhibit B (the "**Land**"), together with all other improvements thereon and thereunder are collectively referred to as the "**Property**". The parties agree that the rentable square footage of the Premises set forth above is conclusive and binding. The Premises shall exclude Common Areas (as defined below) and the exterior faces of exterior walls.

1.2 **Common Areas**. Landlord hereby grants to Tenant during the term of this Lease, a license to use, in common with the others entitled to such use, the Common Areas as they from time to time exist, subject to the rights, powers and privileges herein reserved to Landlord. The term "Common Areas" as used herein will include all areas and facilities outside the Premises that are provided and designated by Landlord for general non-exclusive use and convenience of Tenant and other tenants. Common Areas include but are not limited to the exterior walls, hallways, entranceways, lobbies, stairways and stairwells, the Parking Garage (as defined below) and surface parking areas, elevators and elevator wells, fan rooms, electric and telephone closets (other than those exclusively serving the Premises, if any), janitor closets, freight elevators, and pipes, ducts, risers, conduits, wires, and appurtenant fixtures serving other parts of the Property (exclusively or in common), pedestrian sidewalks, landscaped areas, outdoor patio, loading areas, roadways, rights of way, walking and jogging paths, if any, and other common areas and facilities from time to time designated as such by Landlord. If the Premises include less than the entire rentable area of any floor, then the Premises also exclude the common corridors, elevator lobby and toilets located on such floor.

1.3 **Parking**. During the term of this Lease, Tenant shall be entitled to use the parking garage located at the Property (the "**Parking Garage**") at no charge (provided that the foregoing shall not prohibit Landlord from including any costs or expenses in connection with the Parking Garage or any other parking operations at the Property in Operating Expenses), subject to the terms and conditions imposed by Landlord on parking in the Parking Garage. All parking shall be in common with other Building tenants on an unreserved, first-come, first-serve basis, but shall be limited to eleven (11) total parking spaces that may be used by Tenant. Tenant agrees not to overburden the parking facilities and agrees to cooperate with Landlord and other tenants in the use of parking facilities. Landlord shall have the right to change the Parking Garage from time to time. Landlord may designate parking spaces in the Parking Garage for the handicapped, visitors to the Building and for use by other tenants. Landlord may install signage or implement a pass or sticker system to control parking use, and may employ valet

parking to meet the requirements of this Section. To the extent applicable to Tenant's use of the parking spaces, the provisions of this Lease shall apply, including rules and regulations of general applicability from time to time promulgated by Landlord. Without limiting the generality of the foregoing, Tenant agrees and acknowledges that: (i) Tenant's use of the Parking Garage shall be at Tenant's sole and exclusive risk, and that Landlord shall not be liable for any damage, theft or injury occurring in connection therewith unless the same arise from Landlord's gross negligence or intentional misconduct; (ii) the provisions of Section 9.4 of this Lease shall apply with respect to any liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature arising from Tenant's use of the Parking Garage; (iii) overnight parking is not permitted and any of Tenant's cars, or those of its employees, guests and invitees, left in the Parking Garage shall be subject to removal by Landlord at Tenant's sole cost and expense; and (iv) Landlord, in its sole discretion, may open the Parking Garage to the public on nights and weekends.

ARTICLE 2. TERM

2.1 **Lease Term.**

2.1.1 Commencement Date; Term. The Premises are leased for a term (the "**Term**") to commence on the date (the "**Commencement Date**") that is first to occur of (x) the Substantial Completion Date (as such term is defined below), and (y) the date that Tenant enters into possession of all or any portion of the Premises for the conduct of its business, and shall end at 11:59 p.m. on the last day (the "**Expiration Date**") of the second (2nd) calendar month of the fourth (4th) Lease Year (as defined below) unless sooner terminated as herein provided. If Landlord gives and Tenant accepts possession prior to the Commencement Date, such occupancy shall be subject to all the terms and conditions of this Lease and rent and other charges shall be prorated to the date that Tenant takes possession of the Premises. When the Commencement Date and Expiration Date hereof have been determined in accordance with the provisions set forth in this Lease, the parties hereto shall execute a document setting forth said dates and said document shall be deemed a supplement to and part of this Lease. The parties hereto agree to execute such confirmatory document not later than fifteen (15) days following the Commencement Date. The "**Substantial Completion Date**" is the date that the Landlord will deliver the Premises, and, subject to Article 3 hereof, is targeted to be October 1, 2023.

2.1.2 The first "**Lease Year**" shall begin on the Commencement Date and shall end on the last day of the twelfth (12th) full calendar month following the Commencement Date. Each Lease Year thereafter shall consist of twelve (12) consecutive calendar months following the end of the immediately preceding Lease Year, except that the fourth (4th) Lease Year shall run for two (2) consecutive calendar months following the end of the third (3rd) Lease Year.

2.2 **Holding Over.** In the event that Tenant retains occupancy of the Premises, or any part thereof, after the end of the Term, Tenant's occupancy of the Premises shall be as a tenant at sufferance terminable at any time by Landlord. Tenant's occupancy during any holdover period shall otherwise be subject to the provisions of this Lease (unless clearly inapplicable), except that, in addition to paying all Additional Rent and other sums due under this Lease to Landlord, Tenant shall pay Landlord for such use and occupancy during such period that Tenant remains in possession of the Premises at the rate equal to two hundred percent (200%) of Annual Base Rent payable during the last month of the Lease Term; provided, however, that if Tenant provides Landlord with at least six (6) months' prior written notice that Tenant intends to hold over, then, Tenant shall pay Landlord for such use and occupancy at the rate equal to one hundred fifty percent (150%) of the Annual Base Rent payable during the last month of the Lease

Term for the first thirty (30) days of such holdover and two hundred percent (200%) thereafter. In addition, Tenant shall indemnify and hold harmless Landlord for all claims, liabilities, obligations and damages incurred by Landlord arising out of or resulting from such holding over, including, without limitation, consequential or indirect damages. The provisions hereof do not limit or restrict Landlord's rights or remedies under this Lease in the event of any holding over by Tenant, including Landlord's right to commence the eviction process immediately upon Tenant's holding over. Any provision in this Lease to the contrary notwithstanding, any holdover by Tenant shall constitute an Event of Default on the part of Tenant under this Lease entitling Landlord to exercise, without obligation to provide Tenant any notice or cure period, all of the remedies available to Landlord in the event of an Event of Default by Tenant.

ARTICLE 3. COMPLETION AND OCCUPANCY OF THE PREMISES

3.1 **Delivery and Condition of Premises.** Prior to the Commencement Date, Landlord shall perform the following Leasehold Improvements, at Landlord's cost and expense and in a standard consistent with other first-class office buildings in the Newton submarket, to prepare the Premises for Tenant's initial occupancy: repainting the Premises in Building standard colors to be selected by Tenant, repainting the cabinets in the kitchenette of the Premises in Building standard colors to be selected by Landlord with reasonable consultation with Tenant, installation of new carpet throughout the Premises in Building standard quality and Building standard colors to be selected by Landlord with reasonable consultation with Tenant, and installation of new laminate countertops in the kitchenette serving the Premises in Building standard quality and as selected by Landlord (together, "**Leasehold Improvements**"). Any changes to the Leasehold Improvements requested by Tenant may constitute a Tenant Delay (as defined below), and Tenant shall be responsible for the cost of any such changes, such amounts to be paid by Tenant within thirty (30) days after receipt of an invoice from Landlord. Except as specifically provided in this Lease (including without limitation with respect to Landlord's obligation to perform the Leasehold Improvements), Landlord has made no representations, warranties or undertakings as to the present or future condition of the Premises or the fitness or availability of the Premises for any particular use, and Tenant accepts the Premises in its "AS IS" condition. Tenant's failure to provide its paint color selection or any other request for information, approvals or disapprovals regarding the Leasehold Improvements within three (3) business days after request by Landlord or its contractors shall constitute a "**Tenant Delay**", which shall extend the period for performance of the Leasehold Improvements.

3.1.1 **Tenant Delay.** In addition to the instances described in Section 3.1 above, "**Tenant Delay**" shall include (i) any acts, omissions, defaults or misconduct of Tenant (or its agents, employees, design professionals, contractors, licensees or invitees) with respect to the Leasehold Improvements, (ii) any interference with Landlord's completion of the Leasehold Improvements caused by Tenant or its contractors, subcontractors or suppliers, and (iii) any requests by Tenant to change any of the Leasehold Improvements, Landlord having no obligation to agree to any such changes. In the event of a Tenant Delay or any request by Tenant that Landlord delay the commencement of, or suspend the performance of, any Leasehold Improvements, the period for performance of Landlord's Leasehold Improvements shall be extended by the number of days of actual construction delay. The Substantial Completion Date shall be deemed advanced by the number of days of Tenant Delay experienced by Landlord in order to substantially complete the Leasehold Improvements and deliver the Premises to Tenant.

3.1.2 **Early Access.** If and as long as Tenant or Tenant's Agents and Consultants (as defined below) do not interfere in any material way with Landlord's performance of the Leasehold Improvements, Landlord will permit Tenant and its agents, space planners, contractors,

subcontractors, suppliers and materialmen ("**Tenant's Agents and Consultants**") to have access to the Premises (at the sole risk of such parties and without liability to Landlord) fifteen (15) days prior to the Commencement Date, on a schedule acceptable to Landlord, in order to install Tenant's Communication Systems (as defined below) and Tenant's furniture, fixtures and equipment, which access shall be subject to the terms and conditions of this Lease. Tenant's early access rights shall be on a gross rent-free basis; *provided, however*, Tenant shall be responsible for all utilities charges and expenses in connection with such early access. In no event shall Tenant be entitled to operate its business operations in the Premises prior to the Commencement Date. In the event Tenant shall operate its business operation on all or any portion of the Premises prior to the Commencement Date, Tenant shall be responsible to pay Rent for such period of time. Any interference with Landlord's Leasehold Improvements caused by Tenant or Tenant's Agents and Consultants that delays Landlord's completion of Landlord's Leasehold Improvements.

3.2 **Tenant's Systems**. Tenant, at its sole expense, shall design, install, construct and maintain Tenant's data, telephone, audio-visual, internet and video systems ("**Tenant's Communications Systems**") and Tenant's furniture systems (collectively, "**Tenant's Systems**") within the Premises and the related wiring within the Building necessary for the operation thereof. Tenant's Communications Systems shall not be included in the Leasehold Improvements. Landlord will permit Tenant and its agents, architects, engineers, space planners, contractors, subcontractors, suppliers and materialmen to have access to the Premises and the Building (at the sole risk of such parties and without liability to Landlord) for such purposes subject to the terms and conditions of this Lease. The design, plans and specifications for the wiring, cabling and equipment for Tenant's Communication Systems, and its locations and connections from within the Premises to the Building risers, conduits and systems shall be subject to Landlord's prior review and approval. Tenant shall provide Landlord with reasonable prior written notice of any construction work relating to Tenant's Systems that involves any Building systems, and all such work shall be coordinated with Landlord and subject to Landlord supervision. Any wiring, cabling and equipment for Tenant's Communication Systems that connects or runs outside of the Premises must be placed into Building conduits.

ARTICLE 4. RENT AND SECURITY

4.1 **Annual Base Rent**.

4.1.1 Schedule of Monthly Rent Payments. Beginning on the Commencement Date and continuing throughout the Term, Tenant shall pay to or upon the order of Landlord an annual rental (the "**Annual Base Rent**") as set forth below which shall be payable in consecutive monthly installments on or before the first day of each calendar month in advance in the monthly amount set forth below:

Period	Annual Base Rent	Annual Base Rent per Rentable Square Foot	Monthly Base Rent
Lease Year 1*	$ 150,320.00	$40.00	$ 12,526.67
Lease Year 2	$ 154,078.00	$41.00	$ 12,839.83
Lease Year 3	$ 157,836.00	$42.00	$ 13,153.00
Lease Year 4 (2 months)	$ 161,594.00	$43.00	$ 13,466.17

*Provided no Event of Default shall have occurred under this Lease during the Abatement Period (as defined below), Annual Base Rent shall be abated during the first two (2) months after the Commencement Date (the "**Abatement Period**"); provided, however, that during the Abatement Period, Tenant shall remain responsible for payment of Additional Rent in accordance with this Lease.

4.1.2 Manner of Payment. All payments of rent shall be made without demand, deduction, counterclaim, set-off, discount or abatement in lawful money of the United States of America. If the Commencement Date should occur on a day other than the first day of a calendar month, or the Expiration Date should occur on a day other than the last day of a calendar month, then the monthly installment of Annual Base Rent for such fractional month shall be prorated upon a daily basis based upon a thirty (30)-day month. Notwithstanding anything to the contrary contained herein, Tenant shall cause payment of the first installment of rent to be paid to Landlord to be concurrent with the execution of this Lease.

4.2 **Additional Rent**. Tenant shall pay to Landlord all charges and other amounts required under this Lease and the same shall constitute additional rent hereunder (herein called "**Additional Rent**"), including, without limitation, any sums due resulting from the provisions of Article 5 hereof. All such amounts and charges shall be payable to Landlord at the place where the Annual Base Rent is payable. Landlord shall have the same remedies for a default in the payment of Additional Rent as for a default in the payment of Annual Base Rent. The term "**Rent**" as used in this Lease shall mean the Annual Base Rent and the Additional Rent.

4.3 **Place of Payment**. The Annual Base Rent and all other sums payable to Landlord under this Lease shall be paid to Landlord at c/o Davis Marcus Management, Inc., 125 High Street, Suite 2111, Boston, MA 02110, or at such other place as Landlord shall designate in writing to Tenant from time to time.

4.4 **Terms of Payment**. Tenant shall pay to Landlord all Annual Base Rent as provided in Section 4.1 above and Tenant shall pay all Additional Rent payable under Articles 5 and 6 on the terms provided therein. Except as provided in the immediately preceding sentence and as may otherwise be expressly provided by the terms of this Lease, Tenant shall pay to Landlord, within thirty (30) days after delivery by Landlord to Tenant of bills or statements therefor: (a) sums equal to all expenditures made and monetary obligations incurred by Landlord in accordance with the terms of this Lease for Tenant's account, and (b) all other sums of money accruing from Tenant to Landlord in accordance with the terms of this Lease.

4.5 **Late Charges.** If Tenant shall fail to pay any Rent when due and payable or if any check received by Landlord from Tenant shall be dishonored, Tenant agrees that Landlord's actual damages

resulting therefrom are difficult to fix or ascertain. As a result, Tenant shall pay to Landlord (a) an administrative fee equal to five percent (5%) per month on the amount due, and (b) interest on the amount due from its due date until paid at the lesser of eighteen percent (18%) per annum or the maximum legal rate that Landlord may charge Tenant; provided, that, on the first two occasions only during each Lease Year, no such charges or interest shall be payable with respect to any delinquent payment of Annual Base Rent if such payment is received by Landlord within five (5) business days following written notice of such failure. Such charges shall be paid to Landlord together with such unpaid amounts as an administrative fee to compensate Landlord for administrative expenses and its cost of funds.

4.6 **Security Deposit.**

4.6.1 Letter of Credit Amount. Upon execution of this Lease, Tenant shall deliver to Landlord a security deposit (the "**Security Deposit**") in the form of a "**Letter of Credit**" (as defined below) in the amount of Thirty-Eight Thousand One Hundred Seventy-One Dollars and 54/100 ($38,171.54) for the faithful performance of all terms, covenants and conditions of this Lease.

4.6.2. Letter of Credit Requirements. Each letter of credit provided to Landlord hereunder as the Security Deposit shall be in the form of an unconditional, irrevocable, standby letter of credit which shall be in full force and effect for the periods required hereby, and shall meet all of the following conditions (a "**Letter of Credit**"):

(a) it shall be issued for the benefit of Landlord by an "**Eligible Bank**" (defined below) approved by Landlord;

(b) it shall be effective on the date of this Lease and have a term of not less than one (1) year following its date of issuance and contain automatic year-to-year renewal provisions subject to the Letter of Credit issuer's obligation to notify Landlord in writing by certified or registered mail of non-renewal at least thirty (30) days prior to the expiration of the Letter of Credit;

(c) the expiration date of the Letter of Credit for the final Lease Year of the Term shall be at least ninety-five (95) days following the Expiration Date of the Lease;

(d) it shall provide for the amount thereof as set forth in Section 4.6.1 to be available to the Landlord in multiple drawings conditioned only upon presentation of a sight draft;

(e) it shall be assignable by Landlord to its successors, assigns and mortgagees and by any successive beneficiaries thereof at no cost to transferor or transferee (Tenant agreeing to pay such charges in connection with any transfer of the Letter of Credit), and shall expressly permit multiple assignments; and

(f) it shall be in such form as shall be acceptable to Landlord in its reasonable discretion.

An "**Eligible Bank**" shall mean a commercial or savings bank organized under the laws of the United States or any state thereof or the District of Columbia and having total assets in excess of $1,000,000,000.00, and reasonably determined by Landlord to have the ability to secure Tenant's obligations under the Lease by demonstrating to Landlord its financial fitness, such determination to include but not be limited to the demonstration that such financial institution has a rating of not less than BBB or its equivalent by Standard and Poors Corporation and subject to a Thompson Watch Rating of C

or better. Tenant, at its expense, shall cause the issuing bank to provide Landlord's mortgage lender with a written acknowledgment which evidences its consent to Landlord's collateral assignment of the proceeds of the Letter of Credit and acknowledgment of the security interest of such mortgage lender therein within seven (7) business days following the request of Landlord or Landlord's mortgagee therefor.

4.6.3 Substitute Letter of Credit. Tenant shall deliver to Landlord a substitute Letter of Credit that satisfies the requirements for a Letter of Credit stated in Section 4.6.2 for the applicable period not later than ten (10) business days following delivery of a non-renewal notice by the Letter of Credit issuer with respect to the Letter of Credit issued to Landlord or 45 days prior to the scheduled expiration of the Letter of Credit, whichever first occurs (such date, the "**Re-Delivery Deadline**"). If Tenant fails to deliver the substitute Letter of Credit within such 10-day period, Landlord shall have the right to draw the Letter of Credit and receive the proceeds as a cash Security Deposit. Tenant agrees that notwithstanding any provision of this Lease to the contrary, its failure to furnish Landlord with the required Security Deposit in the form of a substitute Letter of Credit in compliance with the requirements for the initial Letter of Credit prior to the Re-Delivery Deadline shall not be subject to any rights of notice or cure under this Lease.

4.6.4 Landlord's Rights Upon Default. Upon the occurrence of any of the Events of Default described in Article 13 hereof, in addition to any other rights or remedies available to Landlord under this Lease, Landlord shall have the right to present the Letter of Credit for payment by the issuing bank and the proceeds thereof shall be due and payable to Landlord in accordance with the terms hereof and the Letter of Credit. Tenant agrees that Landlord may, without waiving any of Landlord's other rights and remedies under this Lease upon the occurrence of any of the Events of Default, apply the Security Deposit to remedy any failure by Tenant to perform any of the terms, covenants or conditions to be performed by Tenant under this Lease and to compensate Landlord for any damages incurred as a result of any such default. If Landlord uses any portion of the Security Deposit to cure any Event of Default by Tenant hereunder, Tenant shall forthwith replenish the Security Deposit to the original amount within ten (10) business days following written notice from Landlord in the manner directed by Landlord in such notice (which may be in the form of a new or amended Letter of Credit). If Tenant fails to restore the full amount of the Security Deposit within such 10-business-day period, then the amount of such deficiency shall be subject to the charges described in Section 4.5. During any period that Landlord is holding the Security Deposit in the form of cash, Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on any such deposit.

4.6.5 Letter of Credit Reduction. Upon the last day of the twenty-fourth (24^{th}) full calendar month of the Term, provided and on condition that: (i) Tenant is not then, nor at the time of delivering the Reduction Request (as defined below), in default of a monetary obligation or a material non-monetary obligation under the terms of this Lease, (ii) Landlord has not applied the Letter of Credit, or any portion thereof, as permitted hereunder, whether or not Tenant has restored the amount so applied by Landlord, and (iii) Tenant has not been in default beyond any applicable notice and grace period under the Lease at any time during the Term, Tenant may give written notice to Landlord requesting that the Letter of Credit be reduced to an amount equal to Twenty-Six Thousand Three Hundred Ninety-Five Dollars and 48/100 ($26,395.48) (the "**Reduction Request**") and, provided that the aforesaid conditions have been met, Landlord shall promptly thereafter notify the issuer of the Letter of Credit that the Letter of Credit may be so

reduced. If Tenant has satisfied the applicable reduction conditions herein, the reduction in the Letter of Credit shall be accomplished by a Substitute Letter of Credit in the reduced amount, or an amendment to the Letter of Credit reducing it to the reduced amount in form satisfying the requirements of this Section 4.6.

4.6.6 Sale of Building. In the event of a sale or other transfer of the Building (or Landlord's interest therein), Landlord shall have the right to transfer the balance of the Security Deposit to the new owner or to transferee. Upon any such transfer and receipt from the successor landlord that it has received the Security Deposit and assumes all of Landlord's obligations under this Lease, Landlord shall thereupon be released by Tenant from all liability for the return of the Security Deposit; and Tenant agrees to look to the new landlord for the return of such Security Deposit. If Tenant is not in default hereunder at the end of the Term, Landlord will, within sixty (60) days after the expiration or earlier termination of the Lease, return the Security Deposit, or so much as has not been applied by Landlord, to Tenant or the last permitted assignee of Tenant's interest hereunder at the expiration of the Term.

4.6.7 Substitute Security Deposit. If Tenant is unable to deliver to Landlord the Letter of Credit required by this Section on the Effective Date, then Tenant shall deposit with Landlord, on the Effective Date, Thirty-Eight Thousand One Hundred Seventy-One Dollars and 54/100 ($38,171.54) as the Security Deposit under this Lease ("**Substitute Security Deposit**") and Landlord shall accept such Substitute Security Deposit in lieu of the Letter of Credit so long as Tenant uses commercially reasonable efforts to obtain the Letter of Credit required by this Section, and within any event provides such Letter of Credit within sixty (60) days of the Effective Date. Upon Landlord's receipt of the Letter of Credit required by this Section, Landlord shall return the Substitute Security Deposit, less any amounts used in accordance with this Section, to Tenant within thirty (30) days.

4.7 **Independence of Covenants**. Landlord's and Tenant's covenants herein are independent and, without limiting the generality of the foregoing, Tenant acknowledges that its covenant to pay Annual Base Rent and Additional Rent hereunder is independent of Landlord's obligations hereunder, and that in the event that Tenant shall have a claim against Landlord, Tenant shall not have the right to deduct the amount allegedly owed to Tenant from any Annual Base Rent or Additional Rent due hereunder, it being understood that Tenant's sole remedy for recovering upon such claim shall be to bring an independent legal action against Landlord. As such, Tenant's obligation so to pay Rent under the Lease shall be absolute, unconditional, and independent and shall not be discharged or otherwise affected by any law or regulation now or hereafter applicable to the Premises, or any other restriction on Tenant's use, or, except as expressly provided in the Lease, any casualty or taking, or any failure by Landlord to perform or other occurrence; and Tenant waives all rights now or hereafter existing to terminate, quit or surrender this Lease or the Premises or any part thereof, or to assert any defense in the nature of constructive eviction to any action seeking to recover Rent.

ARTICLE 5. ADDITIONAL RENT FOR ESCALATIONS IN REAL ESTATE TAXES AND OPERATING EXPENSES

5.1 **Definitions**. Annual Base Rent does not anticipate any increase in the amount of taxes on the Property, or in the cost of the operation and maintenance thereof. In order that the rent payable hereunder shall reflect any such increases, Tenant agrees to pay as Additional Rent, an amount calculated as hereinafter set forth. For purposes of this Article 5, the following definitions shall apply:

"***Tax Year***": The fiscal year of the City of Newton (July 1 – June 30) or other applicable governmental authority for real estate tax purposes or such other twelve (12) month period as may be duly adopted in place thereof.

"***Base Tax Year***": Calendar year 2024 (i.e., which includes a portion of the Tax Year which ended on June 30, 2024 and a portion of the Tax Year which began on July 1, 2024).

"***Base Taxes***": The amount of Taxes assessed with respect to the Property for the Base Tax Year, giving full effect to a revaluation.

"***Tax Increases***": Attributable to a Tax Year, shall mean the excess, if any, of the Taxes paid or incurred during such Tax Year over the Base Taxes.

"***Taxes***": All taxes, assessments and charges of every kind and nature levied, assessed or imposed at any time by any governmental authority upon or against the Property or any improvements, fixtures and equipment of Landlord used in the operation thereof whether such taxes and assessments are general or special, ordinary or extraordinary, foreseen or unforeseen in respect of each Tax Year falling wholly or partially within the Term. Taxes shall include, without limitation, all general real property taxes and general and special assessments, charges, fees or assessments for all governmental services or purported benefits to the Property, service payments in lieu of taxes, all business privilege taxes, business improvement district charges, and any tax, fee or excise on the act of entering into this Lease or any other lease of space in the Building, or on the use or occupancy of the Building or any part thereof, or on the rent payable under any lease or in connection with the business of renting space under any lease or in connection with the business of renting space in the Building, that are now or hereafter levied or assessed against Landlord by the United States of America, the Commonwealth of Massachusetts, or any political subdivision, public corporation, district or other political or public entity, including legal fees, experts' and other witnesses' fees, costs and disbursements incurred in connection with proceedings to contest, determine or reduce Taxes. Taxes shall also include any other tax, fee or other excise, however described, that may be levied or assessed as a substitute for, or as an addition to, in whole or in part, any other Taxes (including, without limitation, any municipal income tax) and any license fees, tax measured or imposed upon rents, or other tax or charge upon Landlord's business of leasing the Building, whether or not now customary or in the contemplation of the parties on the date of this Lease. Taxes shall not include: (a) franchise, transfer, gift, excise, capital stock, estate, succession and inheritance taxes, and federal, state and municipal income taxes measured by the net income of Landlord from all sources, unless due to a change in the method of taxation such tax is levied or assessed against Landlord as a substitute for, or as an addition to, in whole or in part, any other Tax that would constitute a Tax; or (b) penalties or interest for late payment of Taxes.

"***Base Expense Year***": The calendar year 2023.

"***Expense Year***": The first and full calendar year following the Base Expense Year and each calendar year thereafter.

"***Base Expenses***": The Operating Expenses for the Base Expense Year equitably adjusted to the amount such Operating Expenses would have been if one hundred percent (100%) of the rentable area in the Building had been occupied during the Base Expense Year if there is less than one hundred percent (100%) occupancy in the Base Expense Year. Only those component expenses that are affected by variation in occupancy levels shall be "grossed-up". For purposes of determining Tenant's

Share of Expense Increases, the Base Expenses shall be deemed to have been incurred by Landlord during the Base Expense Year.

"***Expense Increases***": Attributable to an Expense Year, shall mean the excess, if any, of the Operating Expenses paid or incurred during such Expense Year equitably adjusted, if less than one hundred percent (100%) occupancy, to the amount such Operating Expenses would have been if one hundred percent (100%) of the rentable area in the Building had been occupied during the Expense Year over the Base Expenses. Only those component expenses that are affected by variation in occupancy levels shall be "grossed-up".

"***Operating Expenses***": All costs and expenses (and taxes, if any, thereon) paid or incurred on behalf of Landlord (whether directly or through independent contractors) in connection with the ownership, management, operation, maintenance and repair of the Building and Common Areas (including any sales or other taxes thereon) during the Term as a first-class office building, including, without limitation:

(a) supplies, materials and equipment purchased or rented, total wage and salary costs paid to, and all contract payments made on account of, all persons to the extent engaged in the operation, maintenance, security, cleaning and repair of the Property at or below the level of building manager (including the amount of any taxes, social security taxes, unemployment insurance contributions, union benefits) and any on-site employees of Landlord's property management agent.

(b) the building systems, including heating, ventilating, air conditioning, plumbing, electrical, mechanical, sewer, fire detection, sprinkler, life safety and security systems, telecommunications facilities, elevators and escalators, tenant directories, emergency generator, and other equipment used in common by, or for the benefit of, occupants of the Building including such repairs and replacements as may be necessary to maintain the same in proper working order and in compliance with all applicable laws and industry performance standards;

(c) charges of contractors for services and facilities otherwise includable in Operating Expenses, including security, trash removal, cleaning, janitorial, window washing, snow and ice removal, exterior and interior landscaping, the maintenance and repair of the parking facilities, roadways and light poles; but excluding any such services or facilities used exclusively by other tenants of the Building within their leased space to which Tenant has no right to use;

(d) the cost of utility services for the Property, including, without limitation, water, sanitary sewer, electricity, fuel oil, steam, chilled water; but excluding (i) electricity supplied to the Premises and billed to Tenant pursuant to Section 6.1, (ii) electricity used by other tenants of the Building within their leased space and billed directly to such tenants, and (iii) gas for the Property billed to tenants of the Building, including to Tenant pursuant to Section 6.1;

(e) the premiums for fire, extended coverage, loss of rents, boiler, machinery, sprinkler, public liability, property damage, earthquake, flood, and other insurance relative to the Property and the operation and maintenance thereof and unreimbursed costs incurred by Landlord that are subject to an insurance deductible;

(f) the cost of capital items incurred with respect to the ownership, operation, maintenance and repair of the Property for repairs, alterations, installations, improvements and additions amortized over the reasonable life of the capital items as determined in the reasonable judgment of Landlord's accountant in accordance with generally accepted accounting principles together with interest at the greater of twelve percent (12%) per annum or Landlord's borrowing rate for such capital items on the unamortized balance of the cost of the capital item and the installation thereof that are made to the Property by Landlord in order to: (i) maintain the Building and Building systems in proper working order and in compliance with applicable laws and performance standards, (ii) reduce (or avoid an increase in) operation or maintenance expenses with respect to the Property, (iii) comply with laws, regulations or orders of any governmental or quasi-governmental authority, agency or department which were enacted or became effective after the date hereof, or (iv) comply with the requirements of Landlord's insurers;

(g) office costs of administration, including phone charges and reasonable costs for necessary travel within Massachusetts (in each case to the extent related to the performance of services included in Operating Expenses); legal and accounting fees and other expenses of maintaining and auditing Property accounting records and preparing Landlord's Statements; and

(h) fees for management services whether rendered by Landlord (or affiliate) or a third-party property manager in an amount not to exceed the rate of four percent (4%) of Rents charged to Building tenants.

Operating Expenses shall not include: (1) utility expenses that are paid directly by any individual tenant in the Building; (2) any expense for which Landlord is reimbursed by a specific tenant by reason of a special agreement or requirement of the occupancy of the Building by such tenant (other than as an inclusion in Operating Expenses); (3) expenses for services provided by Landlord for the exclusive benefit of a given tenant or tenants for which Landlord is directly reimbursed by such tenant or tenants; (4) all costs, fees and disbursements relating to activities for the solicitation, negotiation and execution of leases for space in the Building (including but not limited to advertising costs, leasing commissions and attorneys' fees therefor); (5) the costs of alterations to, or the decorating or the redecorating of, space in the Building leased to other tenants; (6) except as stated in subparagraph (h) of the definition of Operating Expenses, the costs associated with the operation of the business of the ownership or entity which constitutes "Landlord", including costs of selling, syndicating, financing or mortgaging any of Landlord's interest in the Property; (7) rentals payable under any ground or underlying lease, if any; (8) depreciation, interest and principal payments on mortgages and other debt costs, if any (except as expressly set forth above; (9) repairs or other work required due to fire or other casualty to the extent of insurance proceeds actually received by Landlord; (10) capital expenses for capital improvements that are not included in the definition of "Operating Expenses"; (11) payments to affiliates of Landlord (excluding property management fees) but only to the extent that they exceed market charges and (12) costs incurred by Landlord due to the violation by Landlord of the terms and conditions of any lease of space in the Building, Landlord's gross negligence or willful misconduct, or Landlord's indemnification of any tenant of the Building pursuant to the provisions of such tenant's lease.

"Tenant's Share": Tenant's Share shall be a fraction, the numerator of which shall be the rentable area of the Premises and the denominator of which shall be the rentable area of the Building. On the Commencement Date, the Tenant's Share is four and one hundred seventy-nine thousandths

percent (4.179%). The Tenant's Share shall be recalculated from time to time in the event that there shall be a change in the rentable area of either the Premises or the Building.

"***Landlord's Statement***": An instrument containing a computation of any Additional Rent due pursuant to the provisions of this Article 5.

5.2 **Payment of Taxes.** Tenant shall pay, as Additional Rent, Tenant's Share of all Taxes payable in respect of any Tax Year falling wholly or partially within the Term, to the extent that Taxes for any such period shall exceed the Base Taxes (which payment shall be adjusted by proration with respect to any partial Tax Year); provided, however, Tenant shall not be responsible for making such payment during the first Lease Year. Within thirty (30) days after the issuance by the City of Newton or other applicable governmental authority of the bill for Taxes, Landlord shall submit to Tenant a copy of such bill, together with Landlord's Statement and Tenant shall pay the Additional Rent set forth on such Landlord's Statement (less the amount of estimated payments paid by Tenant on account thereof) as set forth herein. Landlord, at its option, may require Tenant to make monthly payments on account of Tenant's Share of Tax Increases for Tax Years following the Base Tax Year. The monthly payments shall be one-twelfth (1/12th) of the amount of Tenant's Share of Tax Increases and shall be payable on or before the first day of each month during the Term, in advance, in an amount estimated by Landlord and billed by Landlord to Tenant; provided that Landlord shall have the right initially to determine such monthly estimates and to revise such estimates from time to time.

5.3 **Payment of Operating Expenses.** Tenant shall pay to Landlord, as Additional Rent, Tenant's Share of all Operating Expenses in respect of each Expense Year to the extent Operating Expenses for each such Expense Year shall exceed Base Expenses; provided, however, Tenant shall not be responsible for making such payment during the first Lease Year. Tenant shall pay a sum equal to one-twelfth (1/12) of the amount of Tenant's Share of Expense Increases for each Expense Year on or before the first day of each month of such Expense Year, in advance, in an amount estimated by Landlord and billed by Landlord to Tenant; provided that Landlord shall have the right initially to determine such monthly estimates and to revise such estimates from time to time. Within one hundred eighty (180) days after the expiration of the Base Expense Year and each Expense Year, Landlord shall prepare and furnish Tenant with Landlord's Statement showing the Base Expenses or the Operating Expenses incurred during such Expense Year. Within thirty (30) days after receipt of Landlord's Statement for any Expense Year setting forth Tenant's Share of any Expense Increase attributable to such Expense Year, Tenant shall pay Tenant's Share of such Expense Increase (less the amount of estimated payments paid by Tenant on account thereof) to Landlord as Additional Rent. If Landlord's statement shows that the estimated Operating Expenses paid by Tenant exceed the actual amount of Tenant's Share of any Expense Increase for such Expense Year, Landlord shall, at Landlord's election, either (i) reimburse Tenant for the amount so overpaid by Tenant within thirty (30) days after the issuance of Landlord's Statement, or (ii) credit such amount against Tenant's estimated payments of Operating Expenses next coming due (except at the end of the Term, in which cause alternative (i) shall be implemented). Notwithstanding the provisions of this Article 5 to the contrary, Landlord may elect to allocate Operating Expenses separately among tenants with different use categories in the Building from time to time based on such factors as the Landlord reasonably determines (rather than on a proportionate basis based on square feet).

5.4 **Landlord's Statements.**

5.4.1 Landlord's Statements. Landlord will deliver Landlord's Statements to Tenant during the Term and within one hundred eighty (180) days after the expiration of the Base Expense Year and each Expense Year. Landlord's delay or failure to render Landlord's Statement

with respect to the Base Expense Year, any Expense Year or any Tax Year beyond a date specified herein shall not prejudice Landlord's right to render a Landlord's Statement with respect to that or any subsequent Expense Year or subsequent Tax Year. The obligations of Landlord and Tenant under the provisions of this Article with respect to any Additional Rent incurred during the Term shall survive the expiration or any sooner termination of the Term. If Landlord fails to give Tenant a statement of projected Operating Expenses prior to the commencement of any Expense Year, Tenant shall continue to pay Operating Expenses in accordance with the previous statement, until Tenant receives a new statement from Landlord.

5.4.2 Tenant Inspection Rights. During the sixty (60)-day period after receipt of any Landlord's Statement (the "**Review Period**"), Tenant may inspect and audit Landlord's records relevant to the cost and expense items reflected in such Landlord's Statement (a "**Tenant Audit**") at a reasonable time mutually agreeable to Landlord and Tenant during Landlord's usual business hours at the office of Landlord's property manager. Each Landlord's Statement shall be conclusive and binding upon Tenant unless within sixty (60) days after receipt of such Landlord's Statement Tenant shall notify Landlord that it disputes the correctness of Landlord's Statement, specifying the respects in which Landlord's Statement is claimed to be incorrect. Tenant's right to conduct any Tenant Audit shall be conditioned upon the following: (a) no Event of Default shall be ongoing at the time that Tenant seeks to conduct the Tenant Audit; (b) all Tenant Audits shall be conducted by a certified public accountant licensed to practice in the Commonwealth of Massachusetts and in no event shall any Tenant Audit be performed by a firm retained on a "contingency fee" basis; (c) the Tenant Audit shall be concluded no later than thirty (30) days after the end of the Review Period; (d) any Tenant Audit shall not unreasonably interfere with the conduct of Landlord's business; (e) Tenant and its accounting firm shall treat any information gained in the course of any Tenant Audit in a confidential manner and shall each execute Landlord's confidentiality agreement for Landlord's benefit prior to commencing any Tenant Audit; (f) Tenant's accounting firm's audit report shall, at no charge to Landlord, be submitted in draft form for Landlord's review and comment before the final approved audit report is delivered to Landlord, and Landlord shall have the right to point out errors or make suggestions with respect to such audit report, and any appropriate comments or clarifications by Landlord which are accepted by Tenant's auditor shall be incorporated into the final audit report, it being the intention of the parties that Landlord's right to review is intended to prevent errors and avoid the dispute resolution mechanism set forth below and not to unduly influence Tenant's auditor in the preparation of the final audit report; (g) Tenant shall only be able to conduct one (1) Tenant Audit during the Term; and (h) the Tenant Audit shall be conducted by Tenant at its sole cost and expense unless the results of such Tenant Audit show that Landlord's Statement overstated the amount of Operating Expenses owed by Tenant for the relevant billing period by more than five percent (5%) in which case Landlord shall be responsible for payment of such reasonable, out-of-pocket costs and expenses related to the Tenant Audit. If Tenant makes a timely exception within the Review Period, Tenant shall nonetheless pay the amount shown on the Landlord's Statement in the manner prescribed in this Lease, without any prejudice to such exception, and any overpayments identified during any Tenant Audit, if any, shall be applied as a credit against the amount of Additional Rent owed by Tenant immediately following the Tenant Audit.

5.5 **Adjustments**. If the actual amount of Tenant's Share of the Expense Increases for any Expense Year or Tenant's Share of Tax Increases for any Tax Year exceeds the estimated amount thereof paid by Tenant for such Expense Year or Tax Year, then Tenant shall pay to Landlord the difference between the estimated amount paid by Tenant and the actual amount of such Additional Rent payable by Tenant. This Additional Rent payment shall be due and payable within thirty (30) days following

delivery of Landlord's Statement. If the total amount of estimated payments made by Tenant in respect of Tenant's Share of Expense Increases for such Expense Year or Tenant's Share of Tax Increases for any Tax Year shall exceed the actual amount of such Additional Rent payable by Tenant, then such excess amount shall be credited against the monthly installments of Additional Rent due and payable from Tenant to Landlord hereunder for such Additional Rent until such amount shall have been refunded in full to Tenant. Any excess payments made by Tenant during the Term that have not been so applied and are outstanding at the end of the Term shall be paid to Tenant promptly following delivery of Landlord's Statement for the final Expense Year and final Tax Year, as applicable. Even though the Term has expired and Tenant has vacated the Premises, when final determination is made of Tenant's Share of Expense Increases or Tax Increases for the year in which this Lease terminates, Tenant shall pay any increase due over the estimated Expense Increases or Tax Increases paid within thirty (30) days after Landlord's delivery of Landlord's Statement thereof.

ARTICLE 6. SERVICES AND UTILITIES

6.1 Electricity and Gas. From and after the Commencement Date, Tenant agrees to pay, or cause to be paid, all charges for electricity consumed in the Premises (or by any special facilities serving the Premises) and gas consumed in the Premises and Building as hereinafter set forth. Tenant will comply with all contracts relating to any such services to the extent Landlord provides the same to Tenant and such contracts are on commercially reasonable terms. Landlord shall have the right to select the utility providers.

6.1.1 *Electricity*. Landlord represents that all electricity to all tenant premises in the Building is either submetered or check-metered as of the date of this Lease. Tenant's charges for electricity shall be based upon Tenant's actual usage as determined by Landlord's reading of check- or submeters serving the Premises. Landlord will invoice Tenant in arrears each month, which Tenant shall pay within thirty (30) days of demand. Landlord shall provide Tenant with a statement showing Tenant's actual usage of electricity based on the reading of Tenant's check-meters no less often than quarterly. If submeters or check-meters for Tenant electricity are not operational from time to time due to reasons beyond the Landlord's reasonable control (and provided that Landlord is diligently proceeding to repair such meters to good operating condition), such usage and billing shall be based upon the reasonable estimate of Landlord's consulting engineer, based on prior usage data. If Tenant is directed by Landlord to make payments directly to the utility company for separately metered electricity, then Tenant shall contract directly for electricity and shall pay all bills for such electricity service as and when due. Tenant shall pay all costs associated with maintenance and repair of the submeter, check-meter and related equipment serving the Premises.

6.1.2 *Gas*. Tenant shall pay to Landlord, as Additional Rent, Tenant's Share of gas usage of the Building, commencing on the Commencement Date. Landlord reserves the right to make reasonable adjustments to such allocation in the event Landlord deems such adjustments equitable based on the usage of Tenant or other tenants served by such utilities. Landlord will invoice Tenant in arrears each month, which Tenant shall pay within thirty (30) days of demand.

6.2 **Services**. Landlord shall provide the following services to the Building and Premises:

(a) Janitor services in and about the Premises in accordance with the cleaning specifications set forth in Exhibit D, Saturdays, Sundays and union and state and federal government holidays (the "**Holidays**") excepted. Tenant shall not provide any janitor service without Landlord's written consent. If Landlord's consent is given, such janitor services shall be subject to Landlord's supervision and control, but shall be performed at Tenant's sole cost and responsibility.

(b) Heat and air-conditioning as required to maintain comfortable temperature (excluding specialized temperature and humidity control for computers, printers and other equipment) daily from 7:00 a.m. to 6:00 p.m. Monday through Friday, Saturdays from 9:00 a.m. to 1:00 p.m. ("**Normal Business Hours**"), the remainder of Saturdays, Sundays and Holidays excepted, consistent with such service typical of first class comparable buildings in Newton, Massachusetts.

(c) Hot and cold running water for cleaning, landscaping, grounds maintenance, fire protection, drinking, lavatory and toilet purposes drawn through fixtures installed by Landlord or by Tenant with Landlord's written consent. If Tenant's water use increases beyond customary office user levels, Landlord shall have the right to install a water meter at Tenant's expense and to charge Tenant as Additional Rent for its water consumption in the Premises in accordance with readings from such meter.

(d) Maintenance of the Common Areas so that they are clean and free from accumulations of snow, debris, rubbish and garbage.

(e) Access by Tenant to the Premises twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year, subject to the operation of Landlord's computerized access system at the Building's entrances and to Landlord's Rules and Regulations. Overtime HVAC and other services shall be available as provided in Section 6.2 hereof.

(f) Pest removal services comparable to similar first class buildings in the Newton submarket.

Landlord agrees to furnish or cause to be furnished to the Premises the utilities and services described herein, subject to the conditions and in accordance with the standards set forth herein. Landlord's failure to furnish any of such services when such failure is caused by accidents, the making of repairs, alterations or improvements, labor difficulties, difficulty in obtaining adequate supply of fuel, electricity, steam, water or other service or supplies from the sources from which they are usually obtained for the Building, or governmental constraints or any other cause beyond Landlord's reasonable control, shall not result in any liability to Landlord. In the event of any failure, stoppage, or interruption thereof, Landlord shall diligently attempt to resume service promptly. In the event such failure, stoppage or interruption is for an Essential Service (as hereinafter defined), was caused by Landlord, or causes within Landlord's reasonable control, and is not restored, provided that Tenant (i) notified Landlord of its inability to so operate, and (ii) is unable to, and does not actually, operate or utilize the Premises for the Permitted Use for five (5) consecutive days following notice from Tenant, Rent shall abate thereafter until such time as the Essential Service is restored. For purposes of this Section 6.1, "**Essential Services**" shall mean the provision of (a) water and sanitary sewer required to be provided to the Premises by Landlord under this Lease, and/or (b) electricity required to be provided to the Premises by Landlord under this Lease. The foregoing Rent abatement shall be the sole and exclusive remedy of Tenant on account of such

interruption or lack of service and Landlord shall have no further liabilities or obligations to Tenant on account thereof.

6.3 **Additional Services.** Landlord shall impose reasonable charges and may establish reasonable rules and regulations for the following: (a) the use of any heating, air-conditioning, ventilation, electric current or other utility services or equipment by Tenant after Normal Business Hours ("**Overtime HVAC**"); (b) the use or consumption of any other building services, supplies or utilities after Normal Business Hours and any unanticipated, additional costs incurred by Landlord to operate the Building after Normal Business Hours as a result thereof; (c) additional or unusual janitorial services required because of any non-building standard improvements in the Premises, the carelessness of Tenant, the nature of Tenant's business (including the operation of Tenant's business after Normal Business Hours); and (d) the removal of any refuse and rubbish from the Premises except for discarded material placed in wastepaper baskets and left for emptying as an incident to Landlord's normal cleaning of the Premises in accordance with Exhibit C. The expense charged by Landlord to Tenant for any Overtime HVAC shall be based on Landlord's actual cost for such utility services as charged to Landlord by the utility companies providing such services. This amount shall constitute Additional Rent and shall be payable in accordance with Section 4.4.

6.4 **Excessive Current.**

6.4.1 Prohibited Activities. Tenant shall comply with the conditions of occupancy and connected electrical load reasonably established by Landlord for the Building and Tenant shall not use utilities or other services in excess of the services described above in Section 6.1 or in a manner which materially exceeds or interferes with any Building systems or service equipment or Landlord's ability to provide services to other tenants in the Building. Tenant shall not, without Landlord's prior consent in each instance, connect air conditioning equipment, computers (excluding personal/office computers and printers and office copiers and facsimile machines), major appliances (excluding coffee makers, microwave ovens and other similar food preparation appliances) or heavy duty equipment ("**High Usage Equipment**") to the Building's electrical system. Tenant covenants that at no time shall the use of electrical energy in the Premises intentionally exceed the capacity of the existing feeders or wiring installations then serving the Premises. Tenant shall not, without prior consent of Landlord in each instance, make or perform, or permit the making or performing of, any alteration to wiring installations or other electrical facilities in or serving the Premises or any additions to the electrical fixtures, machines, equipment or other appliances in the Premises which utilize electrical energy.

6.4.2 Landlord's Right to Survey Usage. Landlord may survey Tenant's use of services from time to time. Tenant shall pay Landlord all costs arising out of any excess use or other connection of High Usage Equipment, including the cost of all repairs and alterations to the Building's mechanical and electrical systems (including the installation of meters) and the cost of additional electricity made available to Tenant, if any. Such costs shall constitute Additional Rent and Tenant shall pay such costs pursuant to Section 4.4.

6.5 **Maintenance of Common Areas.** The manner in which the Common Areas are maintained and operated and the expenditures therefor shall be at the sole discretion of Landlord and in accordance with the standards of comparable buildings in Newton, Massachusetts. Landlord reserves the right from time to time to (a) make changes in the shape, size, location and appearance of the land and improvements which constitute the Common Areas, provided that Landlord shall not materially impair the Tenant's ability to operate its business, except temporary impairments required by said changes; (b)

make such improvements, alterations and repairs to the Common Areas as may be required by governmental authorities or by utility companies servicing the Building; (c) construct, maintain and operate lighting and other facilities on all said areas and improvements; (d) grant exclusive parking rights to Building tenants; and (e) to add or remove improvements and facilities to or from the Common Areas. The use of the Common Areas shall be subject to such reasonable regulations and changes therein as Landlord shall make from time to time, including (but not by way of limitation) the right to close from time to time, if necessary, all or any portion of the Common Areas to such extent as may be legally sufficient, in the opinion of Landlord's counsel, to prevent a dedication thereof or the accrual of rights of any person or of the public therein; provided, however, Landlord shall do so at such times and in such manner as shall minimize any disruption to Tenant to the extent reasonably possible.

6.6 **Access to Premises.**

6.6.1 Landlord's Right of Entry. Landlord shall have the right to enter the Premises without abatement of Rent at all reasonable times upon at least twenty-four (24) hours prior notice to Tenant (except in emergencies when no advance notice shall be required), (a) to supply any service to be provided by Landlord to Tenant hereunder, (b) to show the Premises to Landlord's Mortgagee and to prospective purchasers, mortgagees and tenants, (c) to inspect, alter, improve or repair the Premises and any portion of the Building, and (d) to introduce conduits, risers, pipes and ducts to and through the Premises, provided that in exercising any such right, Landlord will cause all such conduits, risers, pipes and ducts to be placed above dropped ceilings, within walls, or below floors or in closets, to the extent reasonably practicable. In conducting any such activities, Landlord shall use reasonable efforts not to disrupt the conduct of Tenant's business operations.

6.6.2 Tenant's Keys. For each of the purposes stated above in this Section 6.5, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes, or special security areas, and Landlord shall have the right to use any and all means that Landlord may deem necessary or proper to open said doors in an emergency, in order to obtain entry to any portion of the Premises.

ARTICLE 7. CONDUCT OF BUSINESS BY TENANT

7.1 **Permitted Use.** The Premises shall be used and occupied for general office purposes only (the "**Permitted Use**"). Tenant shall not use or occupy, or permit the use or occupancy of, the Premises or any part thereof for any use other than the Permitted Use specifically set forth above or in any illegal manner, or in any manner that, in Landlord's judgment, would materially adversely affect or interfere with any services required to be furnished by Landlord to Tenant or to any other tenant or occupant of the Building, or with the proper and economical rendition of any such service, or with the use and enjoyment of any part of the Building by any other tenant or occupant. In no event shall the Permitted Use include any governmental, medical, clinical, retail and/or laboratory uses. Tenant agrees that it will not exceed the maximum floor bearing capacity for the Premises.

7.2 **Tenant's Personal Property.** Tenant shall be responsible for any ad valorem taxes on its personal property (whether owned or leased) and on the value of its leasehold improvements in the Premises (which are in excess of building standard improvements), and if the taxing authorities do not separately assess Tenant's leasehold improvements, Landlord may make a reasonable allocation of the impositions to such improvements and charge Tenant for the same as Additional Rent.

7.3 **Compliance with Laws.**

7.3.1 Tenant's Compliance Obligations. Tenant, at Tenant's expense, shall comply promptly with the laws, ordinances, rules, regulations and orders of all governmental authorities in effect from time to time during the Term including, without limitation, the Americans with Disabilities Act ("**ADA**"), and all applicable federal, state and municipal building, zoning, fire, health, safety and environmental laws (the "**Applicable Laws**") that shall impose any duty on Tenant with respect to the Premises or the use, occupancy or operation thereof. Tenant will obtain and maintain in full force and effect any and all licenses and permits necessary for its use. Tenant shall make any Alterations in or to the Premises in order to comply with the foregoing, which are necessitated or occasioned, in whole or in part by the use or occupancy or manner of use, occupancy or operation of the Premises by Tenant or any of its officers, employees, agents, contactors, invitees, licensees or subtenants (the "**Tenant Parties**"). Notwithstanding the foregoing, Tenant shall not be obligated to make changes, upgrades, or Alterations to the Premises or the Building in order to comply with such Applicable Laws unless the need for such repairs or alterations arises from (i) the specific and particular manner and nature of Tenant's use or occupancy of the Premises, as distinguished from general office use, or (ii) any Alterations made by or on behalf of Tenant or any occupant of the Premises but only if and to the extent that such Alterations are not of a nature customarily performed by general office tenants in comparable buildings. Tenant acknowledges the Premises are located on the second floor of the Building, and access to the Premises is non-conforming with the ADA. However, because the Building was constructed prior to the applicability of the ADA, such access is legally non-conforming. If a legal proceeding is brought against either Landlord or Tenant regarding ADA access to the Premises, then Landlord shall endeavor to provide an acceptable ADA accommodation for access to the Premises. If Landlord shall determine in its sole discretion that such an accommodation is not feasible, then Landlord shall deliver notice to Tenant so stating, and either party shall have the option to terminate the Lease effective as of the last day of a calendar month (the "Termination Date") by providing at least thirty (30) days prior written notice to the other party. In the event that either party exercises such termination option, the term of the Lease shall expire as of the Termination Date as fully and completely as if such date were the date originally fixed in the Lease for the expiration of the term of the Lease.

7.3.2 Landlord's Compliance Obligations. Landlord shall comply with all Applicable Laws in effect from time to time during the Term that shall impose any duty on Landlord with respect to the Common Areas of the Building, excluding any matters that are Tenant's responsibility under this Lease or the responsibility of other tenants of the Building. Notwithstanding anything to the contrary contained herein, Tenant shall be responsible for legal compliance, including the requirements of the ADA, with respect to (a) any and all requirements on account of Tenant's use of, or operations in, the Premises, and (b) all Alterations designed or constructed by Tenant or its contractors or agents.

7.4 **Landlord's Rules and Regulations**. Tenant shall observe and comply with the rules and regulations attached to this Lease as Exhibit D, and all reasonable modifications thereof and reasonable additions thereto from time to time put into effect by Landlord (the "**Rules and Regulations**"). Tenant shall not use or permit the use of the Premises in any manner that will create waste or a nuisance, or which shall tend to unreasonably disturb other tenants of the Building.

7.5 **No Liens**. Tenant shall keep the Premises and Property free from any liens or encumbrances arising out of any work performed, material furnished or obligations incurred by or for

Tenant or any person or entity claiming through or under Tenant. Any claim to, or lien upon, the Premises or the Building arising from any act or omission of Tenant shall accrue only against the leasehold estate of Tenant and shall be subject and subordinate to the paramount title and rights of Landlord in and to the Premises and the Property. If any mechanics' or other lien shall be filed against the Premises or the Property purporting to be for labor or material furnished or to be furnished at the request of the Tenant, then Tenant shall at its expense cause such lien to be discharged of record by payment, bond or otherwise, within thirty (30) days after the filing thereof.

7.6 **Hazardous Substances.**

7.6.1 Prohibition on Use; Remediation. Tenant shall not generate, store (except customary cleaning supplies maintained in small quantities and in a manner consistent with reasonable commercial office practices if stored, used and disposed of, in accordance with all Applicable Laws and the fire protection requirements of any Building insurers), dispose of or release, or permit the storage, use, disposal or release of, any "**Hazardous Substances**" (as defined below), in, above, on or under the Premises or the Property. Tenant shall remove, clean-up and remediate any Hazardous Substance on the Premises in accordance with Applicable Laws, provided that the presence of such Hazardous Substance resulted from the action or inaction of Tenant, or any of its officers, employees, agents, contractors, invitees, licensees or subtenants (the "**Tenant Parties**"); provided, however, Landlord reserves the right to notify Tenant that it will conduct the remediation and, in such case, Landlord shall remediate such condition and Tenant shall reimburse Landlord for all costs and expenses upon written demand of Landlord.

7.6.2 Hazardous Substances. As used in this Lease, the term "**Hazardous Substances**" shall mean any material or substance that, whether by its nature or use, is now or hereafter defined as a hazardous waste, hazardous substance, hazardous material, hazardous chemical substance or mixture, pollutant or contaminant under the Comprehensive Environmental response Compensation and Liability Act, as amended (42 U.S.C. §9601 et seq.), Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §6901 et seq.), Toxic Substances Contract Act, as amended (15 U.S.C. §2601 et seq.), or which is now or hereafter regulated under any Applicable Laws, or which is or contains petroleum, gasoline, diesel fuel or another petroleum hydrocarbon product or material, or which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous.

7.7 **Signs.** Landlord will place (a) directional signage on the first floor of the Building to the Premises identifying Tenant, and (b) signage at the entrance door to the Premises, in each case such signage will be consistent with applicable Building standards promulgated by Landlord from time to time. Tenant shall not place or erect any signs, monuments or other structures in or on the Building or Property. Tenant shall not place any signage on the exterior of the Premises nor on the inside of the Premises which are visible from the exterior of the Premises. Tenant shall pay for all costs to change signage as a result of a change in the name of the business occupying the Premises.

ARTICLE 8. ALTERATIONS AND IMPROVEMENTS

8.1 **Landlord's Obligations.** Landlord will maintain all structural components of the Building, including, without limitation, the roof, foundation, exterior and load-bearing walls (including exterior windows and doors), the structural floor slabs and all other structural elements of the Premises, as

well as the Common Areas of the Building, in good repair, reasonable wear and use excepted (except casualty and condemnation which shall be governed by Article 10 and Article 11, respectively). Maintenance and repair expenses caused by Tenant's willful misconduct or negligent acts or omissions shall be paid directly to Landlord by Tenant in accordance with Section 4.4.

8.2 **Tenant's Obligations**. Tenant shall take good care of the Premises, and at Tenant's cost and expense, shall make all repairs and replacements necessary to preserve the Premises in good working order and in a clean, safe and sanitary condition, and will suffer no waste (reasonable wear and tear and casualty and condemnation excepted). Tenant shall maintain, at its own expense, in good order, condition and repair to Landlord's reasonable satisfaction, all plumbing facilities and electrical fixtures and devices (including replacement of all lamps, starters and ballasts) located within the Premises. Tenant shall repair, at its cost, all deteriorations or damages to the Property occasioned by its negligent acts or omissions or willful misconduct. If Tenant does not commence making such repairs to the Building within five (5) days following notice from Landlord and thereafter diligently pursue such repairs, Landlord may, but need not, make such repairs, and Tenant shall pay the cost thereof as provided in Section 8.7 hereof.

8.3 **Tenant's Alterations.**

8.3.1 Landlord's Consent to Alterations. Tenant shall not make or permit any improvements, installations, alterations or additions ("**Alterations**") in or to the Premises, the Building or the Property that involve or affect the structural portions of the Premises or the Building or any of the Building's HVAC, mechanical, electrical, telecommunications, cabling, plumbing or other systems or equipment (the "**Building Systems**") or the interior walls or corridors within the Premises. Tenant may make Alterations to the Premises that do not involve or affect the Building Systems, subject to Landlord's prior written consent. Landlord's prior written consent shall not be required for minor decorations in the Premises for which Tenant provides advance notice to Landlord and which do not exceed $20,000.00 in the aggregate on an annual basis.

8.3.2 Construction Standards. All Alterations permitted by Landlord and made by or on behalf of Tenant shall be made and performed: (a) by contractors or mechanics approved by Landlord, who shall carry liability insurance of a type and in such amounts as Landlord shall reasonably require, naming Landlord and Tenant as additional insureds, (b) in a good and workmanlike manner, (c) so that same shall be at least equal in quality, value, and utility to the original work or installation and shall be in conformity with Landlord's building standard specifications in effect at such time, (d) in accordance with all Applicable Laws, and (e) pursuant to plans, drawings and specifications ("**Tenant's Plans**") which have been reviewed and approved by Landlord prior to the commencement of the repairs or replacements and approved by, and filed with, all applicable governmental authorities (the "**Construction Standards**").

8.4 **Tenant's Property**. All trade fixtures, furnishings, equipment and personal property placed in the Premises by Tenant and all computer, telecommunications or other cabling and wiring installed in the Premises or elsewhere in the Building by or for the benefit of Tenant (collectively, the "**Tenant's Property**") shall be removed by Tenant at the expiration of the Term. Tenant shall, at its cost and expense, repair any damage to the Premises or the Building caused by such removal. Any of Tenant's Property not removed from the Premises prior to the Expiration Date shall, at Landlord's option, become the property of Landlord. Landlord may remove such Tenant's Property, and Tenant shall pay to

Landlord, Landlord's reasonable cost of removal and of any repairs in connection therewith in accordance with Section 4.4 hereof.

8.5 **Ownership and Removal**. All additions, fixtures and improvements which are not Tenant's Property attached to or installed in or upon the Premises by Tenant or by Landlord shall, at Landlord's election, be Landlord's property and shall remain upon the Premises at the termination of this Lease without compensation or allowance or credit to Tenant. Landlord may require at the Expiration Date, or the sooner date of termination of this Lease, that Tenant, at Tenant's expense, remove any of Tenant's Property or Alterations which have been attached to or installed in the Premises, and if Tenant fails to do so, then Landlord may remove the same and, Tenant shall pay to Landlord the actual cost of such removal and of any repairs for any damage to the Premises or Building in connection therewith.

8.6 **Surrender**. Upon the expiration or sooner termination of the Term, Tenant will quietly and peacefully surrender to Landlord the Premises in as good condition as when Tenant took possession, ordinary wear and tear and damage by fire or other casualty excepted, to the extent not the responsibility of Tenant to restore, and otherwise as is required in Article 8. In addition, at such time Tenant shall remove all Hazardous Substances stored, or disposed of, or generated by Tenant in its use or operation of the Premises and all equipment and materials contaminated or affected by such Hazardous Substances in conformity with the Hazardous Substance laws.

8.7 **Tenant's Failure to Maintain**. If Landlord gives Tenant written notice of the necessity of any repairs or replacements required to be made under Section 8.2 and Tenant fails to commence diligently to cure the same within twenty (20) days thereafter (except that no notice will be required in case of any emergency repair or replacement necessary to prevent substantial damage or deterioration), Landlord, at its option and in addition to any other remedies, may proceed to make such repairs or replacements and the expenses incurred by Landlord in connection therewith plus ten percent (10%) thereof for Landlord's supervision, shall be due and payable from Tenant in accordance with Section 4.4 hereof, as Additional Rent; provided, that, Landlord's making any such repairs or replacements shall not be deemed a waiver of Tenant's default in failing to make the same.

ARTICLE 9. INSURANCE

9.1 **Tenant's Insurance**. Tenant, at its own expense, shall provide and keep in force with companies which are rated A/XV or better by A.M. Best Company insurance and licensed in the Commonwealth of Massachusetts: (a) combined single limit commercial general liability insurance insuring against liability for personal injury and property damage, including contractual liability, in the amount of $1,000,000 per occurrence/$2,000,000 annual aggregate limit, with $3,000,000 of excess liability coverage through umbrella insurance (which umbrella coverage shall be on a 'following-form' basis); (b) "Special Form" property insurance, including standard fire and extended coverage insurance, in amounts necessary to provide replacement cost coverage, for Tenant's Property, machinery, electronic data and any Alterations in which Tenant has an insurable property interest, including, without limitation, vandalism and malicious mischief and sprinkler leakage coverage, and "all risk" Builder's Risk insurance, completed value, non-reporting form at any time that Tenant has commenced construction of any leasehold improvements or any Alterations, and at any time any other construction activities are underway at the Premises; (c) plate glass insurance for the Premises (if applicable); (d) Workers' Compensation Insurance in statutory limits as required by applicable law; (e) Employer's Liability Coverage in the amount of $1,000,000 for Each Accident/Disease Policy Limit/Disease Each Employee; and (f) any other insurance reasonably required by Landlord. At Landlord's request, the amounts and kinds of insurance coverages described herein may be reasonably increased or expanded to reflect

amounts and coverages then typically being carried for similar business operations in institutionally owned or financed properties.

9.2 **Delivery of Policies**. Each such insurance policy shall: (a) be provided in form, substance and amounts (where not above stated) satisfactory to Landlord and to Landlord's Mortgagee; (b) specifically include the liability assumed hereunder by Tenant (provided that the amount of such insurance shall not be construed to limit the liability of Tenant hereunder); (c) shall provide that it is primary insurance, and not excess over or contributory with any other valid, existing and applicable insurance in force for or on behalf of Landlord; and (d) provide that Landlord shall receive thirty (30) days' written notice from the insurer prior to any cancellation or change of coverage (or, if such notice is not available from the insurer, Tenant covenants that it shall provide Landlord with such notice). Tenant shall deliver policies of such insurance or certificates thereof to Landlord on or before the Commencement Date, and thereafter at least thirty (30) days before the expiration dates of expiring policies. All such insurance certificates shall provide that Landlord, its mortgagees, any ground lessors and Landlord's managing agent shall each be named as an additional insured. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates, Landlord may, at its option, procure same for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent within five (5) days after delivery to Tenant of bills therefor. Tenant's compliance with the provisions of this Article 9 shall in no way limit Tenant's liability under any of the other provisions of this Lease.

9.3 **Increased Insurance Risk**. Tenant shall not do or permit anything to be done, or keep or permit anything to be kept in the Premises, which would: (a) be in violation of any Applicable Laws, regulation or requirement, (b) invalidate or be in conflict with the provision of any fire or other insurance policies covering the Property or any property located therein, (c) result in a refusal by fire insurance companies of good standing to insure the Property or any such property in amounts required by Landlord's Mortgagee (as hereinafter defined) or reasonably satisfactory to Landlord, (d) subject Landlord to any liability or responsibility for injury to any person or property by reason of any business operation being conducted in the Premises, or (e) cause any increase in the fire insurance rates applicable to the Property or property located therein at the beginning of the Term or at any time thereafter. In the event that any use of the Premises by Tenant increases such cost of insurance, Landlord shall give Tenant written notice of such increase and a reasonable opportunity to cure its use to prevent such increase; provided, however, if Tenant fails to do so, Tenant shall pay such increased cost to Landlord in accordance with Section 4.4 hereof. Acceptance of such payment shall not be construed as a consent by Landlord to Tenant's such use, or limit Landlord's remedies under this Lease.

9.4 **Indemnity**. Tenant shall defend with counsel approved by Landlord, indemnify and hold harmless Landlord, all employees, agents (including without limitation Landlord's property manager), officers, directors, partners, members and shareholders of Landlord, Mortgagees of the Property and any other party having an interest therein, except to the extent any of the following arise from the gross negligence or willful misconduct of such party, from and against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands or judgments of any nature arising from or with respect to (a) any injury to or death of any person or damage to or loss of property in, on or about the Premises or connected with the use, condition or occupancy of any thereof, (b) any breach or violation by Tenant of any of the terms, conditions or provisions of this Lease, (c) any act, omission, fault, misconduct, negligence or violation of applicable laws and regulations by Tenant or any Tenant Parties, (d) any Hazardous Substances or other pollutants brought, generated, stored, used, installed, disposed of, spilled, released, emitted or discharged on, in or from the Premises or the Property, or allowed, permitted or suffered to be brought, generated, stored, used, installed, disposed of, spilled, released, emitted or discharged thereon, therein or therefrom, by

Tenant or any Tenant Parties, in violation of Section 7.6 or otherwise, (e) any construction or other work by Tenant on or about the Premises pursuant to Article 8 or otherwise. The provisions of this Section 9.4 shall survive the expiration or earlier termination of this Lease.

9.5 **Tenant's Use and Occupancy**. Tenant's use and occupancy of the Premises and the Property and use by all Tenant Parties, and all Tenant's and said parties' furnishings, fixtures, equipment, improvements, materials, supplies, inventory, effects and property of every kind, nature and description which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be in, on or about the Premises, shall be at Tenant's and said parties' sole risk and hazard. To the extent permitted pursuant to Applicable Laws, Landlord shall not be liable to Tenant or any other party for injury to or death of any person or damage to or destruction of any property in, on or about the Premises, nor for any interruption in Tenant's use of the Premises or the conduct of its business therein, nor for any other losses, damages, costs, expenses or liabilities whatsoever, including without limitation where caused by fire, water, explosion, collapse, the leakage or bursting of water, steam, or other pipes, any environmental or other condition in, on, or about the Premises, or any other event, occurrence, condition or cause, except, in each case, to the extent caused by the gross negligence or willful misconduct of Landlord or its employees or agents (including, without limitation, Landlord's property manager). It is Tenant's responsibility to maintain insurance against any such loss or casualty.

9.6 **Waiver of Subrogation Rights**.

9.6.1 Mutual Waiver. Notwithstanding anything contained in this Lease to the contrary, Landlord and Tenant hereby agree and hereby waive any and all rights of recovery against each other for loss or damage occurring to the Premises or the Property or any of Landlord's or Tenant's Property contained therein regardless of the cause of such loss or damage to the extent that the loss or damage is covered by the injured party's insurance or the insurance the injured party is required to carry under this Lease, whichever is greater (without regard to any deductible provision in any policy). This waiver does not apply to claims caused by a party's willful misconduct. This waiver also applies to each party's directors, officers, employees, shareholders, and agents.

9.6.2 Insurance Policy Coverage. Each party will assure that its insurance permits waiver of liability and contains a waiver of subrogation. Each party shall secure an appropriate clause in, or an endorsement to, each insurance policy obtained by or required to be obtained by Landlord or Tenant, as the case may be, under this Lease, pursuant to which the insurance company: (a) waives any right of subrogation against Landlord or Tenant as the same may be applicable, or (b) permits Landlord or Tenant, prior to any loss to agree to waive any claim it might have against the other without invalidating the coverage under the insurance policy. If, at any time, the insurance carrier of either party refuses to write (and no other insurance carrier licensed in Massachusetts will write) insurance policies which consent to or permit such release of liability, then such party shall notify the other party and upon the giving of such notice, this Section shall be void and of no effect.

ARTICLE 10. CASUALTY

10.1 **Damage or Destruction**.

10.1.1 Landlord's Repair Obligation. Tenant shall give prompt notice to Landlord of any damage by fire or other casualty (a "**Casualty**") to the Premises or any portion thereof.

During the sixty (60)-day period following the occurrence of a Casualty (the "**Notice Period**"), Landlord will notify Tenant of Landlord's estimate (the "**Landlord's Estimate**") of the period of time required to complete the restoration work. In the event that the Premises, or any part thereof, or access thereto, shall be so damaged or destroyed by fire or other insured Casualty that Tenant shall not have reasonably convenient access to the Premises or any material portion of the Premises shall thereby be otherwise rendered unfit for use and occupancy by the Tenant for the purposes set forth in Section 7.1, and if in the judgment of Landlord the damage or destruction may be repaired within two hundred seventy (270) days with available insurance proceeds, then Landlord shall so notify Tenant and shall repair such damage or destruction as provided in Section 10.4 hereof with reasonable diligence, subject to the limitations, if any, of Applicable Laws. If in the judgment of Landlord the Premises, or means of access thereto, cannot be repaired within two hundred seventy (270) days after the elapse of the Notice Period with available insurance proceeds, then either party shall have the right to terminate the term of this Lease by giving written notice of such termination to the other party within the period of forty-five (45) days after the delivery of the Landlord's Estimate. If the reconstruction period estimated by Landlord is more than two hundred seventy (270) days and neither party terminates this Lease on account thereof, Landlord shall repair such damage or destruction as provided in Section 10.4 hereof with reasonable deliveries subject to the limitations, if any, of Applicable Laws to be the period so estimated by Landlord.

10.1.2 Failure to Complete Repairs; Rights of Termination. If Landlord is obligated, or elects to repair the damage to the Premises and fails to substantially complete the repairs within the longer of the period of time required or permitted by this Subsection 10.1.2 or the time set forth in Landlord's Estimate plus a contingency period equal to ten percent (10%) of the time set forth in the Landlord's Estimate (as the same may be reasonably extended due to any delay caused by Force Majeure (the "**Reconstruction Period**"), then Tenant shall have the right to terminate this Lease by delivery of written notice to Landlord not later than ten (10) days following the end of the Reconstruction Period.

10.2 **Abatement of Rent**. Annual Base Rent and Additional Rent shall not be abated or suspended if, following any Casualty, Tenant shall continue to have reasonably convenient access to the Premises and the Premises are not rendered unfit for use and occupancy for the Permitted Use. If Tenant shall not have reasonably convenient access to the Premises or any portion of the Premises shall be otherwise rendered unfit for use and occupancy by the Tenant for the purposes set forth in Section 7.1 by reason of such Casualty, then Rent shall be equitably suspended or abated relative to the portion of the Premises that cannot be used by Tenant for any of its business operations, effective as of the date of the Casualty until Landlord has (a) substantially completed the repair of the Premises and the means of access thereto, and (b) has delivered notice thereof to Tenant.

10.3 **Events of Termination**. Notwithstanding the provisions of this Article 10, if, prior to or during the Term the Building shall be so damaged by Casualty that, in Landlord's reasonable estimate, the cost to repair the damage will be more than twenty-five percent (25%) of the replacement value of the Building (whether or not the Premises shall have been damaged or rendered untenantable), then, in such event, Landlord, may give to Tenant, within ninety (90) days after such Casualty, a thirty (30) days' notice of the termination of this Lease and, in the event such notice is given, this Lease and the term shall terminate upon the expiration of such thirty (30) days with the same effect as if such date were the Expiration Date. If more than twenty-five percent (25%) of the gross rentable area of the Premises shall be wholly or substantially damaged or destroyed by Casualty at any time during the last six (6) months of the Term, either Landlord or Tenant may terminate this Lease by delivery of written notice of such

termination to the other party within thirty (30) days after the occurrence of such damage. Tenant shall pay to Landlord, out of any insurance proceeds received by Tenant with respect to its Alterations, the Leasehold Improvements, or other improvements in the Premises, an amount equal to the unamortized Allowance, amortized on a straight line basis over the initial term of the Lease, with interest at the rate of nine percent (9%).

10.4 **Scope of Landlord's Repairs.** In the event Landlord elects or shall be obligated to repair or restore any damage or destruction to the Premises pursuant to this Article 10, and notwithstanding anything to the contrary in this Lease, Landlord shall not be obligated to restore or replace Tenant's Property or Tenant's Alterations and in no event shall Landlord be obligated to undertake any restoration to the extent that Landlord does not actually receive sufficient insurance proceeds to complete the same or to expend with respect to restoration any amount in excess of insurance proceeds actually received by Landlord. Tenant shall restore Tenant's Alterations following the completion of Landlord's restoration. No damages, compensation or claim shall be payable by the Landlord to Tenant, or any other person, by reason of inconvenience, loss of business or annoyance arising from any damage or destruction, or any repair thereof, as is referred to in this Article 10.

ARTICLE 11. CONDEMNATION

11.1 **Entire Condemnation.** In the event that the whole of the Premises shall be taken under the power of eminent domain or by any proceeding for taking for public or quasi-public use (a "**Condemnation**"), this Lease and the term and estate hereby granted shall automatically terminate as of the earlier of the date of the vesting of title or the date of dispossession of Tenant as a result of such taking.

11.2 **Partial Condemnation.**

11.2.1 Effect of Partial Condemnation. In the event that only a part of the Premises shall be taken by Condemnation, the Term shall expire as to that portion of the Premises condemned effective as of the date of the vesting of title in the condemning authority, and this Lease shall continue in full force and effect as to the part of the Premises not so taken. In the event of a partial Condemnation of the Premises which results in a permanent lack of reasonable, convenient access to and from the Premises or which permanently results in insufficient space for Tenant to carry on its business without material interference with its business, Tenant shall have the right to terminate this Lease if Landlord cannot relocate Tenant to comparable space elsewhere in the Building following the effective date of the Condemnation.

11.2.2 Landlord's Option to Terminate. In the event that a part of the Property shall be subject to Condemnation (whether or not the Premises are affected), Landlord may, at its option, terminate this Lease as of the date of such vesting of title, by notifying Tenant in writing of such termination within ninety (90) days following the date on which Landlord shall have received notice of the vesting of title in the condemning authority if in Landlord's reasonable opinion: (a) a substantial alteration or reconstruction of the Property (or any portion thereof) shall be necessary or appropriate, or (b) the portion of the Property so condemned has the effect of rendering the remainder of the Property uneconomic to maintain.

11.2.3 Landlord's Repair Obligations. In the event that this Lease is not terminated in accordance with Subsection 11.2.2 hereof, Landlord shall, upon receipt of the award in condemnation, make all necessary repairs or alterations to the Building in which the Premises are

located so as to constitute the remaining Premises a complete architectural unit to the extent feasible and permitted by Applicable Laws, but Landlord shall not be required to spend for such work an amount in excess of the amount received by Landlord as damages for the part of the Premises so taken. "Amount received by Landlord" shall mean that part of the award in condemnation which is free and clear to Landlord of any collection by Mortgagees and after payment of all costs involved in collection, including but not limited to attorney's fees. Tenant, at its own cost and expense shall, restore all Tenant's Property which are not taken to as near its former condition as the circumstances will permit. In the event of a partial taking, all provisions of this Lease shall remain in full force and effect.

11.3 **Temporary Taking**. If there is a taking of the Premises for temporary use arising out of a temporary emergency or other temporary situation, this Lease shall continue in full force and effect, and Tenant shall continue to comply with Tenant's obligations under this Lease, except to the extent compliance shall be rendered impossible or impracticable by reason of the taking.

11.4 **Condemnation Awards**. Except as provided in the preceding Section 11.3, Landlord shall be entitled to the entire award in any condemnation proceeding or other proceeding for taking for public or quasi-public use, including, without limitation, any award made for the value of the leasehold estate created by this Lease. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award that may be made in such condemnation or other taking, together with any and all rights of Tenant now or hereafter arising in or to same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or to require Tenant to assign to Landlord any award made to Tenant specifically for its relocation expenses or the taking of Tenant's Property provided that such award does not diminish or reduce the amount of the award payable to Landlord.

11.5 **Proration**. In the event of a partial condemnation or other taking that does not result in a termination of this Lease as to the entire Premises, then the Annual Base Rent and Tenant's Share shall be adjusted in proportion to that portion of the Premises taken by such condemnation or other taking.

ARTICLE 12. ASSIGNMENT AND SUBLETTING

12.1 **Assignment and Subletting**. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, encumber or otherwise transfer this Lease or any interest herein directly or indirectly, by operation of law or otherwise, or sublet the Premises or any part thereof, or permit the use or occupancy of the Premises by any party other than Tenant, in each case without Landlord's prior written consent. Notwithstanding the foregoing to the contrary, Landlord shall not unreasonably withhold or delay its consent to a sublet of the Premises or an assignment of this Lease, provided that (a) Tenant shall deliver to Landlord prior written notice of such proposed transfer together with such related information as Landlord shall reasonably request, (b) no Event of Default under this Lease shall have occurred and be continuing, (c) the financial worth and creditworthiness of the proposed transferee shall not be less than that of Tenant both as of the date of execution of this Lease and the date of such proposed Transfer, based upon audited financial statements or equivalent financial information; (d) Tenant shall remain fully liable under this Lease and the transferee shall be jointly and severally liable with Tenant for all such obligations; and (e) such transferee (in the event of an assignment) shall agree directly with Landlord to be bound by all of the obligations of Tenant hereunder pursuant to an assumption agreement satisfactory to Landlord, including, without limitation, the obligation to pay all Rent and other charges due under this Lease. If at any time or from time to time during the Term, Tenant desires to effect a Transfer, Tenant shall deliver to Landlord written notice (a "**Transfer Notice**") setting forth the terms of the proposed Transfer and the identity of

the proposed assignee or subtenant (each, a "**Transferee**"). Tenant shall also deliver to Landlord with the Transfer Notice a reasonably acceptable assumption agreement for Tenant's obligations under this Lease (in the case where the Transfer is a proposed assignment of this Lease) together with all relevant information requested by Landlord concerning the proposed Transferee to assist Landlord in making an informed judgment regarding the Transferee's proposed use of the Premises (which use must be permitted by Applicable Laws), and the financial responsibility, creditworthiness, reputation, and business experience of the Transferee. The provisions of this Section 12.1 shall apply to a Transfer (by one or more Transfers) of a controlling portion of or interest in the stock or partnership or membership interests or other evidences of equity interests of Tenant as if such Transfer were an assignment of this Lease; *provided that*, if equity interests in Tenant at any time are or become traded on a public stock exchange, the transfer of equity interests in Tenant on a public stock exchange shall not be deemed an assignment within the meaning of this Section 12.1.

12.2 **Landlord's Options**. Landlord shall have the option, exercisable by written notice delivered to Tenant within thirty (30) days after Landlord's receipt of a Transfer Notice accompanied by the other information described in Section 12.1, to: (a) permit Tenant to Transfer the Premises; or (b) disapprove the Tenant's Transfer of the Premises and to continue the Lease in full force and effect as to the entire Premises; or (c) in the event of (i) a proposed assignment of the Lease or (ii) a sublease, terminate the Lease as to the portion of the Premises affected by the sublease as of the date set forth in Landlord's notice of exercise of such option, which date shall not be less than thirty (30) days nor more than ninety (90) days following the giving of such notice (a "**Recapture**"). If Landlord approves of the proposed Transfer pursuant to Section 12.1 above, Tenant may enter into the proposed Transfer with such proposed Transferee subject to the following conditions: (i) the Transfer shall be on the same terms set forth in the Transfer Notice; and (ii) no Transfer shall be valid and no Transferee shall take possession of the Premises until an executed counterpart of the assignment, sublease or other instrument effecting the Transfer (in the form reasonably approved by Landlord) has been delivered to Landlord pursuant to which the Transferee shall expressly assume all of Tenant's obligations under this Lease.

If Landlord exercises its option to terminate this Lease (or in the case of a partial sublet to release Tenant with respect to a portion of the Premises) as provided above, Tenant shall surrender possession of the Premises or a portion of the Premises, as the case may be, on the date set forth in Landlord's notice, and thereafter neither Landlord nor Tenant shall have any further liability with respect thereto, except with respect to those matters that expressly survive the termination of the Lease. If this Lease shall be terminated as to a portion of the Premises only, Rent and Tenant's parking allocation shall be readjusted proportionately according to the ratio of the number of square feet and the portion of the space surrendered compares to the floor area of Tenant's Premises during the term of the proposed sublet.

12.3 **Additional Conditions**. Tenant shall not offer to make, or enter into negotiations with respect to any Transfer to: (a) any tenant of the Building or any entity owned by, or under the common control of, whether directly or indirectly, a tenant in the Building unless there is no competing space then available for leases therein; or (b) any bona fide prospective tenant with whom Landlord is then negotiating with respect to other space in the Building (provided that comparable space in the Building is then available for lease); or (c) any party which would be of such type, character, or condition as to be inappropriate as a tenant for the Building. It shall not be unreasonable for Landlord to disapprove any proposed assignment, sublet or transfer to any of the foregoing entities or to an entity that does not have at least equal financial strength to Tenant's as of the date of this Lease. Tenant agrees not to list or advertise the Premises for assignment or sublease, whether through a broker, agent or representative, or otherwise at a full-service rental rate which is less than Landlord's current rate in the Building for new tenants. Landlord shall not be deemed to unreasonably withhold its consent to any proposed assignment or

sublease if such Transfer, in Landlord's reasonable determination, is at a full-service rate which is less than Landlord's current rate in the Building for new tenants, and would compete with similar space either being offered or anticipated to be offered by Landlord in the Building.

12.4 **No Release**. Landlord's consent to a Transfer or any Transfer permitted without Landlord's consent shall release Tenant of Tenant's obligations under this Lease and this Lease and all of the obligations of Tenant under this Lease shall continue in full force and effect as the obligations of a principal (and not as the obligations of a guarantor or surety). From and after any Transfer, the Lease obligations of the Transferee and of the original Tenant named in this Lease shall be joint and several. No acceptance of Rent by Landlord from or recognition in any way of the occupancy of the Premises by a Transferee shall be deemed a consent to such Transfer, or a release of Tenant from direct and primary liability for the further performance of Tenant's covenants hereunder. The consent by Landlord to a particular Transfer shall not relieve Tenant from the requirement of obtaining the consent of Landlord to any further Transfer. Each violation of any of the covenants, agreements, terms or conditions of this Lease, whether by act or omission, by any of Tenant's permitted Transferees, shall constitute a violation thereof by Tenant. In the event of default by any Transferee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Transferee or successor.

12.5 **Transfer Profit**. Tenant shall pay to Landlord, as Additional Rent, an amount (the "**Transfer Profit**") equal to fifty percent (50%) of any rent and other economic consideration received by Tenant as a result of any Transfer which exceeds, in the aggregate: (a) the total of the remaining rent which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased) plus (b) any reasonable tenant fit-up costs, brokerage commissions and attorneys' fees actually paid by Tenant in connection with such Transfer amortized on a straight-line basis over the term of the Transfer (specifically excluding moving or relocation costs paid to the Transferee). Tenant shall pay such Transfer Profit to Landlord on a monthly basis within ten (10) days after receipt thereof, without affecting or reducing any other obligations of Tenant hereunder. Each such payment shall be sent with a detailed statement. Landlord shall have the right to audit Tenant's books and records to verify the accuracy of the detailed statement.

12.6 **Permitted Transfers**. Notwithstanding the above, provided Tenant is not in default of this Lease, then Tenant shall have the right to assign this Lease, transfer its interest herein or sublet the Premises without Landlord's consent (a "**Permitted Transfer**"), but with no less than thirty (30) days' prior notice to Landlord, to any entity into or with which Tenant is merged or consolidated, or to which all or substantially all of Tenant's assets are transferred (any of the foregoing, a "**Successor Entity**"); provided, however, that in any such event: (a) use of the Premises shall be for the Permitted Use; (b) in the event of any Permitted Transfer to an Successor Entity, the assignee or subtenant, as applicable, shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") and earnings before interest, taxes, depreciation, and amortization at least equal to the greater of the Net Worth and such earnings of Tenant on the date of execution of this Lease and on the day that is three (3) months prior to the effective date of such Permitted Transfer, and Landlord has been provided with financial statements or evidence otherwise reasonably satisfactory to Landlord of the same; (c) any such assignment under clauses (i) or (ii) above shall be for an independent business purpose and not a means to circumvent the provisions of this Article 12, and (d) the purpose or result of such Transfer shall not be to liquidate or substantially reduce the net worth of Tenant or such assignee or subtenant.

ARTICLE 13. DEFAULTS AND REMEDIES

13.1 **Events of Default**. The occurrence of any one or more of the following events shall constitute an event of default (each an "**Event of Default**") hereunder:

13.1.1 Nonpayment of Annual Base Rent or Additional Rent. Failure by Tenant to pay any installment of Annual Base Rent, Additional Rent or any other amount, deposit, reimbursement or sum due and payable hereunder, upon the date when said payment is due; provided, however, on the first (1st) two (2) occasions only during any Lease Year with respect to Annual Base Rent, Landlord shall furnish Tenant with written notice of such failure and permit Tenant a five (5)- day period to cure such failure.

13.1.2 Certain Obligations. Failure by Tenant to perform, observe or comply with any non-monetary obligation contained in Section 4.6 ("**Security Deposit**"), Section 7.5 ("**No Liens**") and Article 12 ("**Assignment and Subletting**") of this Lease.

13.1.3 Other Obligations. Failure by Tenant to perform any non-monetary obligation, agreement or covenant under this Lease other than those matters specified in Section 13.1 and Subsection 13.1.2, and such failure continues for thirty (30) days after written notice by Landlord to Tenant of such failure; provided, however, that if the nature of Tenant's obligation is such that more than thirty (30) days are required for performance, then Tenant shall not be in default if Tenant commences performance within such thirty (30) day period and thereafter diligently and continuously prosecutes the same to completion within sixty (60) days following the date of Landlord's written notice with respect to such failure.

13.1.4 Assignment; Receivership: Attachment. (a) The making by Tenant of any arrangement or assignment for the benefit of creditors; (b) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (c) the attachment, execution, or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days.

13.1.5 Bankruptcy. The admission by Tenant or Tenant's guarantor (if any) in writing of its inability to pay its debts as they become due, the filing by Tenant or Tenant's guarantor (if any) of a petition in bankruptcy seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, the filing by Tenant or Tenant's guarantor (if any) of an answer admitting or failing timely to contest a material allegation of a petition filed against Tenant or Tenant's guarantor (if any) in any such proceeding or, if within forty-five (45) days after the commencement of any proceeding against Tenant or Tenant's guarantor (if any) seeking any involuntary reorganization, or arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation by any of Tenant's creditors or such guarantor's creditors, such proceeding shall not have been dismissed.

13.1.6 Abandonment. Abandonment of the Premises by Tenant for a continuous period in excess of thirty (30) days.

13.2 **Remedies**. If an Event of Default occurs, Landlord shall have the following rights and remedies, in addition to any and all other rights or remedies available to Landlord in law or equity:

13.2.1 Notice to Quit. Landlord shall have the right to deliver written notice to Tenant to quit possession and occupancy of the Premises and to declare the Lease terminated. Upon Landlord's termination of this Lease, Tenant shall quit and peaceably surrender the Premises, and all portions thereof, to Landlord, and Landlord shall have the right to receive all rental and other income of and from the same. At Landlord's election, any written notice of default may also be designated a notice to quit (provided that nothing in this sentence shall be deemed to deny Tenant the right to applicable cure periods set forth in Section 13.1, above).

13.2.2 Right of Re-Entry. Landlord shall have the right, with or without terminating this Lease, to re-enter the Premises and take possession thereof by summary proceeding, eviction, ejectment or otherwise and may dispossess all other persons and property from the Premises. Tenant's property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant. No re-entry or taking possession of the Premises by Landlord pursuant to this Subsection 13.2.2 shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof is decreed by a court of competent jurisdiction. Tenant thereby waives all statutory rights, including without limitation the right to a notice to quit, notice before exercise of any prejudgment remedy, and any rights of redemption, all to the extent such rights may be lawfully waived.

13.2.3 Recovery of Rent and Damages. Landlord shall have the right to recover from Tenant all loss of Rent and other payments that Landlord may incur by reason of termination of the Lease, including, without limitation: (a) all Rent and other sums due and payable by Tenant as of the date of termination; (b) all Rent that would otherwise be payable for the remainder of the Term in accordance with the terms of this Lease, as and when due, and Tenant shall indemnify Landlord for the same; (c) all of Landlord's then unamortized costs of special inducements provided to Tenant (including without limitation rent concessions, tenant construction allowances, rent waivers, above building standard leasehold improvements, and the like); (d) the costs of collecting amounts due from Tenant under the Lease and the costs of recovering possession of the Premises (including attorneys fees and litigation costs); (e) the costs of curing Tenant's defaults existing at or prior to the date of termination; (f) all "**Reletting Expenses**" (as defined below); and (g) all Landlord's other reasonable expenditures arising from the termination. Tenant shall reimburse Landlord for all such items, and the same shall be due and payable immediately from time to time upon notice from Landlord that an expense has been incurred, without regard to whether the expense was incurred before or after the termination.

13.2.4 Acceleration of Future Rentals. Following termination of this Lease, Landlord, at its written election, shall be entitled to receive as liquidated damages for all Rent that would otherwise be due and payable pursuant to clause (b) of Subsection 13.2.3, an amount equal to: (x) a lump sum payment representing the then present value of the amount of Rent that would have been paid in accordance with this Lease for the remainder of the Term minus the then present value of the aggregate fair market rent and additional charges payable for the Premises for the remainder of the Term (if less than the Rent payable hereunder) reasonably estimated by Landlord as of the date of termination, and taking into account Landlord's reasonable projections of vacancy and time required to re-lease the Premises; or (y) a lump sum payment equal to one year's Base Rent at the rate applicable under the Lease at the time of such election. Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, such amount as final damages for Tenant's default with respect to the Rents payable for the remainder of the Term as described above. Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, such amount as final damages for Tenant's default with respect to the

Rents payable for the remainder of the Term as described above. In the computation of present value, a discount at the then market discount rate as reasonably determined by Landlord shall be employed.

13.2.5 Rents Due After Re-Entry by Landlord. If Landlord re-enters or otherwise takes possession of the Premises without terminating this Lease (but terminating only Tenant's right of possession in the Premises), then the Lease and Tenant's liabilities and obligations thereunder shall survive such action. In the event of any such termination of Tenant's right of possession, whether or not the Premises, or any portion thereof, shall have been relet, Tenant shall pay the Landlord a sum equal to the Rent and any other charges required to be paid by Tenant up to the time of such termination of such right of possession and thereafter Tenant, until the end of the Term, shall be liable to Landlord for and shall pay to Landlord: (a) the equivalent of the amount of the Rent payable under this Lease, less (b) the net proceeds of any reletting effected pursuant to the provisions hereof after deducting all of Landlord's Reletting Expenses. Tenant shall pay such amounts in accordance with the terms of this Subsection 13.2.5 as set forth in a written statement thereof from Landlord to Tenant (the "**Deficiency**") to Landlord in monthly installments on the days on which the Annual Base Rent is payable under this Lease, and Landlord shall be entitled to recover from Tenant each monthly installment of the Deficiency as the same shall arise. Tenant shall also pay to Landlord upon demand the costs incurred by Landlord in curing Tenant's defaults existing at or prior to the date of such termination, the cost of recovering possession of the Premises and the Reletting Expenses. Tenant agrees that Landlord may file suit to recover any sums that become due under the terms of this Section from time to time, and all reasonable costs and expenses of Landlord, including attorneys' fees and costs incurred in connection with such suits shall be payable by Tenant on demand.

13.2.6 Certain Terms Defined. For purposes of this Subsection 13.2.6, "**Reletting Alterations**" shall mean all repairs, changes, improvements, alterations or additions made by Landlord in or to the Premises to the extent deemed reasonably necessary by Landlord to prepare the Premises for the re-leasing following an Event of Default; and "**Reletting Expenses**" shall mean the reasonable expenses paid or incurred by Landlord in connection with any re-leasing of the Premises following an Event of Default, including, without limitation, marketing expenses, brokerage commissions, attorneys' fees, the costs of Reletting Alterations, tenant allowances and other economic concessions provided to the new tenant.

13.3 **Landlord's Right to Cure Defaults.** If the Tenant shall default in the observance or performance of any condition or covenant on Tenant's part to be observed or performed under or by virtue of any of the provisions of this Lease, and such default continues beyond any applicable notice and cure period or Landlord reasonably determines that an emergency exists, the Landlord, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the Tenant. If the Landlord makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligation incurred and costs, shall be paid upon demand to the Landlord by the Tenant as Additional Rent pursuant to Section 4.4 hereof and if not so paid with interest from its due date until paid at the lesser of eighteen percent (18%) per annum or the maximum legal rate that Landlord may charge Tenant.

13.4 **Disposition of Tenant's Property.** In addition to Landlord's rights under Section 8.4 hereof, Landlord shall have the right to handle, remove, discard or store in a commercial warehouse or otherwise, at Tenant's sole risk and expense, any of Tenant's Property that is not removed by Tenant at

the end of the Term. Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all actual expenses incurred in such removal and all storage charges for such property so long as the same shall be in Landlord's possession or under Landlord's control.

13.5 **Reletting**. In connection with any reletting of the Premises following an Event of Default, Landlord shall be entitled to grant such rental and economic concessions and other incentives as may be customary for similar space in the relevant Newton submarket. Landlord shall not be required to accept any tenant offered by Tenant or observe any instruction given by Tenant about such reletting or do any act or exercise any care or diligence with respect to such reletting or to the mitigation of damages. Notwithstanding anything in this Lease to the contrary, Landlord may, after any termination of this Lease on account of an Event of Default of Tenant, relet the Premises, for any term(s), and may grant market concessions or free rent to the extent that Landlord considers reasonably advisable and necessary to relet the same, and may make such reasonable alterations, repairs and decorations in the Premises as Landlord in its reasonable judgment considers advisable or necessary for the purpose of reletting the Premises. The making of such alterations, repairs and decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. In no event shall Landlord be required to (i) solicit or entertain negotiations with any other prospective tenant for the Premises until Landlord obtains full and complete possession of the Premises, (ii) relet the Premises before leasing other vacant space in the Building or to show the Premises on a priority basis, or (iii) lease the Premises for a rental less than the current fair market rent then prevailing for similar office space in comparable buildings.

13.6 **No Accord and Satisfaction**. Landlord may collect and receive any rent due from Tenant, and the payment thereof shall not constitute a waiver of or affect any notice or demand given, suit instituted or judgment obtained by Landlord, or be held to waive, affect, change, modify or alter the rights or remedies that Landlord has against Tenant in equity, at law, or by virtue of this Lease. No receipt or acceptance by Landlord from Tenant of less than the monthly rent herein stipulated shall be deemed to be other than a partial payment on account for any due and unpaid stipulated rent; no endorsement or statement on any check or any letter or other writing accompanying any check or payment of rent to Landlord shall be deemed an accord and satisfaction, and Landlord may accept and negotiate such check or payment without prejudice to Landlord's rights to (a) recover the remaining balance of such unpaid rent, or (b) pursue any other remedy provided in this Lease.

13.7 **Claims in Bankruptcy**. Nothing herein shall limit or prejudice the right of Landlord to prove and obtain in proceeding for bankruptcy, insolvency, arrangement or reorganization by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount is greater, equal to or less than the amount of the loss or damage that Landlord has suffered. Without limiting any of the provisions of this Article 13, if pursuant to the Bankruptcy Code, as the same may be amended, Tenant is permitted to assign this Lease in disregard of the restrictions contained in Article 12, Tenant agrees that adequate assurance of future performance by the assignee permitted under the Bankruptcy Code shall mean the deposit of cash security with Landlord in any amount equal to all Rent payable under this Lease for the calendar year preceding the year in which such assignment is intended to become effective, which deposit shall be held by Landlord, without interest, for the balance of the term as security for the full and faithful performance of all of the obligations under this Lease on the part of Tenant yet to be performed. If Tenant receives or is to receive any valuable consideration for such an assignment of this Lease, such consideration, after deducting therefrom (a) the brokerage commissions, if any, and other expenses reasonably designated by the assignee as paid for the purchase of Tenant's property in the Premises, shall be and become the sole exclusive property of

Landlord and shall be paid over to Landlord directly by such assignee. In addition, adequate assurance shall mean that any such assignee of this Lease shall have a net worth indicating said assignee's reasonable ability to pay the Rent, and abide by the terms of this Lease for the remaining portion thereof applying commercially reasonable standards.

13.8 **Waivers**. TRIAL BY JURY. TO THE EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD AND TENANT HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY SUMMARY PROCESS, EVICTION OR OTHER STATUTORY REMEDY WITH RESPECT THERETO. EACH PARTY HAS BEEN REPRESENTED BY, AND HAS RECEIVED THE ADVICE OF, LEGAL COUNSEL WITH RESPECT TO THIS WAIVER.

13.9 **Landlord Default**. Landlord shall in no event be in default in the performance of any of Landlord's obligations under the terms of this Lease unless and until Landlord shall have failed to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail the manner in which Landlord has failed to perform any such obligations, or if such failure cannot be cured within thirty (30) days, within a period reasonably necessary to complete the cure so long as Landlord has commenced and is diligently pursuing the cure within the original thirty (30) day period.

ARTICLE 14. SUBORDINATION; ATTORNMENT AND RIGHTS OF MORTGAGE HOLDERS

14.1 **Subordination**. This Lease and all of Tenant's rights hereunder are, and shall be, subject and subordinate at all times to any mortgages (each, a "**Mortgage**") which may now exist or hereafter affect the Property, or any portion thereof, in any amount, and to all renewals, modifications, consolidations, replacements, and extensions of such Mortgages. This Section shall be self-operative and no further subordination shall be required. In confirmation of such subordination, Tenant shall promptly execute, acknowledge and deliver any instrument that Landlord or the holder of any Mortgage or its assigns or successors in interest (each such holder, a "**Mortgagee**") may reasonably request to evidence such subordination. Landlord's inability to obtain a non-disturbance agreement shall not affect Tenant's subordination agreement herein. Any Mortgagee may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by giving notice to Tenant, and this Lease shall then be deemed prior to such Mortgage without regard to their respective dates of execution and delivery.

14.2 **Attornment by Tenant**. In the event that any such first Mortgage is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, at the option of the Mortgagee or the grantee or purchaser in foreclosure, notwithstanding any subordination of any such lien to this Lease, attorn to and become the Tenant of the successor in interest to Landlord at the option of such successor in interest. Tenant covenants and agrees to execute and deliver, within ten (10) business days following delivery of request by Landlord, Mortgagee, or by Landlord's successor in interest and in the commercially reasonable form requested by Landlord, Mortgagee, or by Landlord's successor in interest, any additional documents evidencing the priority or subordination of this Lease with respect to the lien of any such first Mortgage, which additional documents shall be reasonably satisfactory to Landlord, Mortgagee, and Landlord's successors in interest.

14.3 **Limitation of Mortgagees' Liability**. Notwithstanding any other provision of this Lease to the contrary, no Mortgagee shall be obligated to perform or liable in damages for failure to perform any of Landlord's obligations under this Lease unless and until such Mortgagee shall foreclose such mortgage or otherwise acquire title to the Property, and then shall only be liable for Landlord's obligations arising or accruing after such foreclosure or acquisition of title. No Mortgagee shall ever be obligated to perform or be liable in damages for any of Landlord's obligations arising or accruing before such foreclosure or acquisition of title. Notwithstanding the foregoing or anything to the contrary herein, no Mortgagee succeeding to the interest of Landlord hereunder shall be (i) liable in any way to Tenant for any act or omission, neglect or default on the part of Landlord under this Lease, (ii) responsible for any monies owing by or on deposit with Landlord to the credit of Tenant (except to the extent any such deposit is actually received by such mortgagee or ground lessor), (iii) subject to any counterclaim or setoff which theretofore accrued to Tenant against Landlord, (iv) bound by any amendment or modification of this Lease subsequent to such Mortgage, or by any previous prepayment of Rent for more than one (1) month in advance of its due date, which was not approved in writing by Mortgagee, (v) liable beyond such Mortgagee's interest in the Property, or (vi) responsible for the payment or performance of any work to be done by Landlord under this Lease to render the Premises ready for occupancy by Tenant or for the payment of any tenant improvement allowance. Any such Mortgagee's obligations and liabilities shall in any event be subject to, and Mortgagee shall have the benefit of, Section 16.15 hereof. Tenant agrees on request of Landlord to execute and deliver from time to time any reasonable agreement which may be necessary to implement the provisions of this Section 14.3.

14.4 **Estoppel Certificates.** Tenant shall at any time, and from time to time, upon not less than fifteen (15) days prior written notice from Landlord execute, acknowledge and deliver to Landlord, to any prospective purchaser, or Mortgagee, a written estoppel certificate of Tenant in a commercially reasonable form. It is intended that any such certificate of Tenant delivered pursuant to this Section 14.4 may be relied upon by Landlord and any prospective purchaser or the Mortgagee of any part of the Building.

14.5 **Quiet Enjoyment.** Upon Tenant paying the Annual Base Rent and Additional Rent and performing all of Tenant's obligations under this Lease (subject to any notice and cure periods set forth herein), Tenant may peacefully and quietly enjoy the Premises during the Term as against all persons or entities lawfully claiming by or through Landlord; subject, however, to the provisions of this Lease and to the rights of Landlord's Mortgagee. The foregoing covenant is in lieu of any other covenant of quiet enjoyment, express or implied.

14.6 **Mortgagee Approval**. Landlord and Tenant hereby agree that this Lease is subject to the review and approval of Landlord's Mortgagee in accordance with the terms of the mortgage loan documents executed by Landlord in connection with its financing of the Property. Landlord shall submit this Lease to its Mortgagee promptly upon Tenant's execution and delivery of this Lease to Landlord, and Landlord shall promptly advise Tenant of its Mortgagee's decision.

ARTICLE 15. NOTICES

15.1 **Manner of Notice.**

15.1.1 Notices; Addresses. All notices, demands and other communications ("**notices**") permitted or required to be given under this Lease shall be in writing and sent by personal service, telecopy transmission (if a copy thereof is also sent on the same day by a nationally recognized overnight courier service), certified mail (postage prepaid) return receipt requested or by a

nationally recognized overnight courier service to the following addresses or to such other address as either Landlord or Tenant may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section 15.1:

If to Tenant	Acumen Pharmaceuticals, Inc. 427 Park Street Charlottesville, VA 22902 Attn: Derek Meisner
With copies to:	Ropes & Gray LLP Prudential Tower, 800 Boylston Street Boston, MA 02199 Attn: Thomas J. Danielski
If to Landlord:	DIV Washington, LLC c/o The Davis Companies 125 High Street, Suite 2111 Boston, Massachusetts 02110 Attn: Matthew Katz
With copies to:	DIV Washington, LLC c/o The Davis Companies 125 High Street, Suite 2111 Boston, Massachusetts 02110 Attn: General Counsel

15.1.2 Delivery. Notices shall be deemed to have been given (a) when hand delivered (provided that delivery shall be evidenced by a receipt executed by or on behalf of the addressee if delivered by personal service) if personal service is used, (b) on the date of transmission if sent before 4:00 p.m. (Boston time) on a business day when telecopy transmission is used, (c) the sooner of the date of receipt or the date that is three (3) days after the date of mailing thereof if sent by postage pre-paid registered or certified mail, return receipt requested, and (d) one (1) day after being sent by Federal Express or other reputable overnight courier service (with delivery evidenced by written receipt) if overnight courier service is used.

ARTICLE 16. MISCELLANEOUS

16.1 **Brokers**. Landlord and Tenant warrant to each other that they have had no dealings with any broker, agent or finder in connection with this Lease except Dan Krysiak of Newmark and representatives of Landlord (the "**Brokers**"). Landlord agrees to pay the commissions due to such brokerage companies pursuant to separate agreements. Both parties hereto agree to protect, indemnify and hold harmless the other from and against any and all expenses with respect to any compensation, commissions and charges claimed by any other broker, agent or finder not identified above with respect to this Lease or the negotiation thereof that is made by reason of any action or agreement by such party.

16.2 **Building Name**. The Building and the Property may be known by such name as Landlord, in its sole discretion, may elect, and Landlord shall have the right from time to time to change such designation or name without Tenant's consent upon prior written notice to Tenant.

16.3 **Force Majeure**. In the event Landlord or Tenant shall be delayed or hindered in or prevented from the performance of any act (excluding monetary obligations) required under this Lease to be performed by Landlord or Tenant by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, governmental laws, regulations, or restrictions, riots, insurrection, war, epidemic, pandemic, or other public health emergency, acts of God, civil commotion, terrorist attacks, fire, flood or other casualty, the inability to obtain materials from customary sources, weather conditions, neglects or delays of Landlord or Tenant, as applicable, or other reason of a like nature not the fault of Landlord or Tenant (collectively, "**Force Majeure**"), then performance of such act shall be excused for the period of the delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, the obligations imposed upon Tenant with respect to Rent and other monetary obligations to be paid hereunder shall never be excused due to Force Majeure.

16.4 **Authority**. If Tenant signs as a corporation, limited liability company, or a partnership, or other business entity each person executing this Lease on behalf of Tenant hereby covenants and warrants that Tenant is a duly authorized and existing entity, that Tenant is duly qualified to do business in Massachusetts, that Tenant has full right and authority to enter into this Lease, and that each person signing on behalf of Tenant is duly authorized to do so and that no other signatures are necessary. Upon Landlord's request, Tenant shall provide Landlord with evidence reasonably satisfactory to Landlord confirming the foregoing covenants and warranties. If Landlord signs as a corporation, limited liability company, or a partnership, or other business entity each person executing this Lease on behalf of Landlord hereby covenants and warrants that Landlord is a duly authorized and existing entity, that Landlord is duly qualified to do business in Massachusetts, that Landlord has full right and authority to enter into this Lease, and that each person signing on behalf of Landlord is duly authorized to do so and that no other signatures are necessary.

16.5 **Interpretation**. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The words used in neuter gender include the masculine and feminine. If there is more than one Tenant, the obligations under this Lease imposed on Tenant shall be joint and several. The captions preceding the articles of this Lease have been inserted solely as a matter of convenience and such captions in no way define or limit the scope or intent of any provision of this Lease.

16.6 **Modifications**. Neither this Lease nor any term or provision hereof may be changed, waived, discharged or terminated orally, and no breach thereof shall be waived, altered or modified, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought. Any right to change, waive, discharge, alter or modify, or terminate this Lease shall be subject to the prior express written consent of Landlord's Mortgagee to the extent required by Landlord's financing documents and any subordination agreement entered into between Tenant and such Mortgagee.

16.7 **Severability**. If any provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and enforceable to the full extent permitted by law.

16.8 **Entire Agreement**. Landlord's employees, representatives and agents have no authority to make or agree to make a lease or any other agreement or undertaking in connection herewith. The submission of this document for examination and negotiation does not constitute an offer to lease, or a

reservation of, or option for, the Premises, and this document shall be effective and binding only upon the execution and delivery hereof by both Landlord and Tenant. This Lease, including the Exhibits hereto, which are made part of this Lease, contain the entire agreement of the parties and all prior negotiations and agreements are merged herein. Neither Landlord nor Landlord's agents have made any representations or warranties with respect to the Premises, the Building, the Property or this Lease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Tenant by implication or otherwise unless expressly set forth herein.

16.9 **No Merger**. There shall be no merger of this Lease or of the leasehold estate hereby created with the fee estate in the Premises or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or the leasehold estate hereby created or any interest in this Lease or in such leasehold estate as well as the fee estate in the leasehold Premises or any interest in such fee estate.

16.10 **Easements**. Landlord reserves the right, from time to time, to grant easements and rights, make dedications, agree to restrictions and record maps affecting the Property as Landlord may deem necessary or desirable, so long as such easements, rights, dedications, restrictions, and maps do not unreasonably interfere with the use of the Premises by Tenant; and this Lease shall be subordinate to such instruments.

16.11 **Bind and Inure**. The terms, provisions, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, and, except as otherwise provided herein, their respective heirs, legal representatives, successors and assigns. If two or more individuals, corporations, partnerships or other business associations (or any combination of two or more thereof) shall sign this Lease as Tenant, the liability of each such individual, corporation, partnership or other business association to pay Rent and perform all other obligations hereunder shall be deemed to be joint and several. All agreements, covenants and indemnifications contained herein or made in writing pursuant to the terms of this Lease by or on behalf of Tenant shall be deemed material and shall survive expiration or sooner termination of this Lease.

16.12 **Remedies Cumulative; No Waiver**. No remedy or election hereunder of Landlord shall be deemed exclusive, but shall wherever possible, be cumulative with all other remedies at law or in equity. No waiver of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach of the same or any other provision. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. No reference to any specific right or remedy of Landlord shall preclude the exercise of any other right or remedy of Landlord permitted hereunder or that may be available at law or in equity. No failure by Landlord to insist upon the strict performance of any agreement, term, covenant or condition hereof, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach, agreement, term, covenant or condition.

16.13 **Tenant's Financial Statements**. Unless Tenant is a publicly traded company on a nationally recognized U.S. stock exchange or Tenant's financial statements are otherwise available to the general public, Tenant shall furnish Landlord annually, within ninety (90) days after the end of each fiscal year of Tenant, copies of the balance sheets of Tenant, as at the close of such fiscal year, and statements of income and retained earnings of Tenant for such year, prepared in accordance with generally accepted accounting principles and, if such is Tenant's normal practice, audited by Tenant's independent certified public accountants. Tenant also agrees to furnish to Landlord within ten (10) days following Landlord's

written request therefor (which request shall not be made more than once in any fiscal year unless made in connection with a proposed sale, financing or re-financing of the Building, re-capitalization of Landlord, or following an Event of Default), copies of such financial statements identified above as are then available and financial statements for the then current fiscal year prepared in accordance with generally accepted accounting principles and on an unaudited basis certified as true and correct by such company's chief financial officer.

16.14 **Landlord Approvals**. Whenever Tenant is required to obtain Landlord's consent hereunder, Tenant agrees to reimburse Landlord all out-of-pocket expenses incurred by Landlord, including reasonable attorney's fees in order to review documentation or otherwise determine whether to give its consent. Tenant shall pay Landlord's invoice for any such amounts within ten (10) days following Landlord's delivery of its invoice therefor. Any provision of this Lease which requires the Tenant to obtain Landlord's consent to any proposed action by Tenant shall not be the basis for an award of damages or give rise to a right of setoff on Tenant's behalf, but may be the basis for a declaratory judgment or injunction with respect to the matter in question.

16.15 **Attorney's Fees and Prevailing Party**. If any party brings an action or proceeding involving the Premises to enforce the terms hereof or to declare rights hereunder, then such initiating party shall be entitled to reasonable attorneys' fees, if it is the Prevailing Party in any such proceeding, action, or appeal thereon. The term, "**Prevailing Party**" shall include, without limitation, a party that substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other party of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, the Prevailing Party shall be entitled to attorneys' fees, costs, and expenses incurred in the preparation and service of notices of default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such default. Notwithstanding the foregoing, if on account of any default by Tenant in Tenant's obligations under the terms of this Lease, it becomes necessary or appropriate for Landlord to employ attorneys or other persons to enforce any of Landlord's rights or remedies hereunder, Tenant shall pay upon demand as Additional Rent hereunder all reasonable fees of such attorneys and other persons and all other costs of any kind so incurred. Where the phrase "attorneys' fees," "legal fees" or "legal expenses" or similar phrases are used, such phrase shall specifically include the fees and expenses of the in-house legal staff of Landlord and its affiliates.

16.16 **Landlord's Liability**. Tenant shall look only to Landlord's estate in the Property (and the insurance and condemnation proceeds thereof) for the satisfaction of Tenant's remedies with respect to any liability, default or obligation of Landlord under this Lease or otherwise regarding Tenant's leasing, use and occupancy of the Premises pursuant hereto, including without limitation for the collection of any monetary obligation, judgment or other judicial process requiring the payment of money by Landlord. Neither Landlord nor any of its members, stockholders, officers, directors, partners, trustees, beneficiaries or employees shall be personally liable hereunder, nor shall any of its or their property, other than the Property, be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's said remedies. Landlord shall not under any circumstances be liable for any special, indirect or consequential damages of Tenant, including lost profits or revenues. No owner of the Property shall be liable under this Lease except for breaches of Landlord's obligations occurring while such party owns the Property.

16.17 **Time of Essence**. **TIME IS OF THE ESSENCE** with respect to the due performance of the terms, covenants and conditions herein contained; provided, however, that no delay or failure to

enforce any of the provisions herein contained and no conduct or statement shall waive or affect any of Landlord's rights hereunder.

16.18 **Confidentiality**. Each of Landlord and Tenant agrees: (a) to treat the terms of the Lease, and the terms of any existing and future amendments and modifications to the Lease (the "**Confidential Information**") as confidential during the term of this Lease and for the three (3) year period following the expiration or sooner termination of the Lease (the "**Non-Disclosure Period**"), (b) not to disclose, directly or indirectly, to any third party nor permit any third party to have access to any or all of such Confidential Information during the Non-Disclosure Period, including, without limitation, any Building tenants and any brokers, and (c) to indemnify, defend and hold harmless the other party from any loss, cost, expense, damage and liability, including the other party's legal fees and expenses, resulting from Landlord's or Tenant's breach of the foregoing confidentiality agreements. Landlord and Tenant acknowledge that the other party shall have the right to disclose such Confidential Information only to the extent that such disclosure is required by law or court order or by discovery rules in any legal proceeding. Landlord's and Tenant's agreements and indemnity with respect to the Confidential Information shall survive the expiration or earlier termination of the Lease. Notwithstanding anything to the contrary, Landlord shall have the ability to disclose Confidential Information to those of its employees, officers, directors, authorized representatives, affiliates, advisors, prospective tenants, consultants, legal counsel, existing or potential financing or equity sources, existing or potential partners or investors, and accountants that have a need to know and who have signed confidentiality agreements or are otherwise bound by confidentiality obligations.

16.19 **Submission**. Submission of this instrument for examination does not constitute a reservation of or option for lease of the Premises, and it is not effective as a lease or otherwise until this Lease has been executed by both Landlord and Tenant and a fully executed copy has been delivered to each.

16.20 **Governing Law**. This Lease and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

16.21 **OFAC List**. Tenant represents and warrants that it is not listed, nor is it owned or controlled by, or acting for or on behalf of any person or entity, on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, or any other list of persons or entities with whom Landlord is restricted from doing business with ("**OFAC List**"). Notwithstanding anything to the contrary herein contained, Tenant shall not permit the Premises or any portion thereof to be used, occupied or operated by or for the benefit of any person or entity that is on the OFAC List. Tenant shall provide documentary and other evidence of Tenant's identity and ownership as may be reasonably requested by Landlord at any time to enable Landlord to verify Tenant's identity or to comply with any legal requirement or applicable laws. Tenant acknowledges and agrees that as a condition to the requirement or effectiveness of any consent to any Transfer by Landlord pursuant to Section 12.1, Tenant shall cause the Transferee, for the benefit of Landlord, to reaffirm, on behalf of such Transferee, the representations of, and to otherwise comply with the obligations set forth in, this Section 16.21, and it shall be reasonable for Landlord to refuse to consent to a Transfer in the absence of such reaffirmation and compliance. Tenant agrees that breach of the representations and warranties set forth in this Section 16.21 shall at Landlord's election be a default under this Lease for which there shall be no cure. Landlord represents and warrants that it is not listed, nor is it owned or controlled by, or acting for or on behalf of any person or entity, on the OFAC List. This Section 16.21 shall survive the termination or earlier expiration of the Lease.

16.22 **Rent Not Based On Income.**

16.22.1 It is intended that all Rent payable by Tenant to Landlord, which includes all sums, charges, or amounts of whatever nature to be paid by Tenant to Landlord in accordance with the provisions of this Lease, shall qualify as "rents from real property" within the meaning of Section 512(b)(3) and 856(d) of the Internal Revenue Code (as amended, the "**Code**") and the regulations thereunder (the "**Tax Regulations**"). If Landlord, in its sole discretion, determines that there is any risk that all or part of any Rent shall not qualify as "rents from real property" for the purposes of Sections 512(b)(3) or 856(d) of the Code and Tax Regulations, Tenant agrees to cooperate with Landlord by entering into such amendment or amendments to this Lease as Landlord deems necessary to qualify all Rent as "rents from real property", provided, however, that any adjustments required under this section shall be made so as to produce the equivalent (in economic terms) Rent as payable before the adjustment and shall not increase Tenant's obligations under this Lease.

16.22.2 Without limiting Landlord's right to withhold its consent to any Transfer, and regardless of whether Landlord shall have consented to any such Transfer, neither Tenant nor any other person having an interest in the possession, use, or occupancy of any portion of the Building shall enter into any lease, sublease, license, concession, assignment, or other transfer or agreement for possession, use, or occupancy of all or any portion of the Building which provides for rental or other payment for such use, occupancy, or utilization based, in whole or in part, on the net income or profits derived by any person or entity from the space so leased, used, or occupied, and any such purported lease, sublease, license, concession, assignment, or other transfer or agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the Building. There shall be no deduction from the rental payable under any sublease or other transfer nor from the amount of the rental passed on to any person or entity, for any expenses or costs related in any way to the subleasing or transfer of such space.

16.23 **Counterparts; Signatures.** This Lease may be executed in counterparts. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that facsimile signatures or signatures transmitted by electronic mail in so-called "pdf" format shall be legal and binding and shall have the same full force and effect as if an original of this Lease had been delivered. Landlord and Tenant (i) intend to be bound by the signatures on any document sent by facsimile or electronic mail, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature.

16.24 **Prohibition Against Recording.** Landlord and Tenant agree not to record this Lease. In the event this Lease, a copy or any notice thereof shall be recorded by Tenant, then such recording shall constitute an Event of Default by Tenant entitling Landlord to immediately terminate this Lease. Notwithstanding the preceding sentence to the contrary, at the request of either Landlord or Tenant, the parties shall execute a document in recordable form containing only such information as is necessary to constitute a Notice of Lease under Massachusetts law. All costs of preparation and recording such notice shall be borne by the party requesting the execution of such Notice of Lease. At the expiration or earlier termination of this Lease, Tenant shall provide Landlord with an executed termination of the Notice of Lease in recordable form, which obligation shall survive such expiration or earlier termination.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease the day and year first above written.

LANDLORD:

DIV WASHINGTON, LLC, a Massachusetts limited liability Company

By: Washington Manager Corp., its Manager

By: /s/ Jonathan G. Davis
Name: Jonathan G. Davis
Title: Authorized Signatory

TENANT:

ACUMEN PHARMACEUTICALS, INC.

By: /s/ Daniel O'Connell
Name: Daniel O'Connell
Title: President & CEO

Exhibit 10.15

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO THE COMPANY IF PUBLICLY DISCLOSED

NON-EXCLUSIVE COLLABORATION AND LICENSE AGREEMENT

THIS NON-EXCLUSIVE COLLABORATION AND LICENSE AGREEMENT (this "Agreement"), effective as of November 5, 2023 (the "Effective Date") is entered into between Halozyme, Inc., a California corporation located at 12390 El Camino Real, San Diego, CA 92130 ("Halozyme"), and Acumen Pharmaceuticals, Inc., a Delaware corporation located at 427 Park St., Charlottesville, VA 22902 ("Company"). Each of Halozyme and Company may be referred to, individually, as a "Party", and, collectively, as the "Parties."

RECITALS

WHEREAS, Halozyme is the owner or exclusive licensee of certain patents, formulations and know-how related to the PH20 Drug (defined below);

WHEREAS, Company is the owner or exclusive licensee of certain patents and know-how related to the Company Molecule (defined below);

WHEREAS, on the terms and conditions herein, Company desires a license from Halozyme in connection with researching and developing a Product (defined below) for approval, and commercialization of Products in the Field (defined below); and

WHEREAS, on the terms and conditions herein, Halozyme is willing to non-exclusively license to Company certain intellectual property rights under the PH20 Drug and to collaborate with Company in connection with Company's research, development, approval, and commercialization of such Products in the Field.

AGREEMENT

NOW, THEREFORE, for mutual consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. DEFINITIONS.

Capitalized terms used in this Agreement (including the Exhibits and Schedules attached hereto) shall have the following meanings (or as defined elsewhere in the Agreement):

1.1 "Acquirer" has the meaning set forth in the definition of Change of Control.

1.2 "Affiliate" means, with respect to a Party, any corporation or business entity that, at the relevant time, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such Party. For purposes of this definition,

"control" shall mean (a) the possession of the power to, directly or indirectly, direct or cause the direction of the management and policies of a corporation or business entity, whether through ownership of voting securities or by contract relating to voting rights or corporate governance, or (b) direct or indirect ownership of fifty percent (50%) or more of the securities or other ownership interests representing the equity, the voting stock or, if applicable, the general partnership interest of such corporation or business.

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

1.4 "API" means [***].

1.5 "API Specifications" means the specifications set forth in Schedule 1.5.

1.6 "Arbitration Center" has the meaning set forth in Section 12.1.

1.7 "Background IP" has the meaning set forth in Section 8.1.

1.8 "Business Day" means a weekday on which banking institutions in the United States are generally open for business.

1.9 "cGMP" means the principles detailed in (a) the United States Current Good Manufacturing Practices (21 C.F.R. Parts 4, 210, 211, 600, 601, and 610), (b) the "Rules Governing Medicinal Product in The European Community - Volume IV Good Manufacturing Practice for Medicinal Products," and/or "Cooperative Manufacturing Arrangements for Licensed Biologics" FDA-CBER, (c) WHO TRS 986 Annex 2, TRS 961 Annex 6, TRS 957 Annex 2 and TRS 999 Annex 2, (d) ICH Q7 guidelines, and (e) any applicable equivalent Regulatory Authority requirements and regulations.

1.10 "Change of Control" means, with respect to a Party, (a) a merger, consolidation, recapitalization, or reorganization of such Party with a Third Party that results in the holders of beneficial ownership (other than by virtue of obtaining irrevocable proxies for purposes of management voting on matters as directed by beneficial owners) of the voting securities of such Party outstanding immediately prior thereto, or any securities into which such voting securities have been converted or exchanged, ceasing to hold beneficial ownership of more than fifty percent (50%) of the combined voting power of the surviving entity or the parent of the surviving entity immediately after such merger, consolidation, recapitalization, or reorganization, (b) a transaction or series of related transactions in which a Third Party, together with its affiliates, becomes the direct or indirect beneficial owner of more than fifty percent (50%) of the combined voting power of the outstanding securities of such Party, or (c) the sale or transfer of all or substantially all of the assets of such Party and its controlled Affiliates, (d) the acquisition of majority control of the board of directors or equivalent governing body of such Party; (e) the acquisition of the ability to cause the direction of the management or allocation of corporate resources of such Party; or (f) the acquisition of all or substantially all of the assets of such Party related to the transactions contemplated by this Agreement. Notwithstanding the foregoing, any transaction or series of transactions effected solely for the purpose of changing the form or jurisdiction of organization of such Party (such as an initial public offering or other offering of equity securities to non-strategic investors or corporate reorganization) will not be deemed a "Change of Control" for purposes of this Agreement. The acquiring or combining Third Party in

any of the foregoing (a), (b) or (c), and any of such Third Party's Affiliates (whether in existence as of or at any time following the applicable transaction, but other than the acquired Party and its Affiliates as in existence prior to the applicable transaction or Affiliates the acquired Party controls after the applicable transaction) are referred to collectively herein as the "Acquirer."

1.11 "Collaboration Invention" means any invention or discovery, whether or not patentable (including a modification, improvement or new use), that is first conceived or reduced to practice pursuant to [***]. For the avoidance of doubt, for purposes of this definition, each Party's activities shall include all activities of such Party's Affiliates and their respective employees, contractors and sublicensees.

1.12 "Collaboration Supported Company Molecule Patents" means [***].

1.13 "Collaboration Supported Other Patents" has the meaning set forth in Section 8.1.4.

1.14 "Collaboration Supported Patents" means [***].

1.15 "Collaboration Supported PH20 Patents" means [***].

1.16 "Collaboration Supported Product IP" has the meaning set forth in Section 8.1.3.

1.17 "Collaboration Supported Product Patents" means [***].

1.18 "Commercially Reasonable Efforts" means the level of efforts and resources of a Party required to, [***] consistent with the efforts [***].

1.19 "Company" has the meaning set forth in the preamble.

1.20 "Company Indemnitees" has the meaning set forth in Section 10.2.

1.21 "Company Molecule" means (a) the Company-proprietary molecule owned or licensed by Company that, as of the Effective Date, is referred to by Company as ACU193 (as such name may be revised by Company from time to time), which is designed to bind to and remove toxic protein aggregates called amyloid-beta oligomers (AβOs), and (b) any derivatives, permutations, modified or updated versions or formulations, or reformulations of the foregoing, whether created, generated, or designed prior to or following the Effective Date.

1.22 "Company Molecule Collaboration Inventions" has the meaning set forth in Section 8.1.1.

1.23 [***]

1.24 "Company Solely-Owned Patents" has the meaning set forth in Section 8.4.2.

1.25 "Confidential Information", as to a Party (or its Affiliates) non-public information provided to the other Party (or its Affiliates) under this Agreement, whether written, oral, or visual, including technologies, current and proposed product and/or service information, research, development, scientific or financial data, compilations, formulae, models, design details, patent disclosures, procedures, processes, projections, protocols, results of experimentation and testing, specifications, strategies and techniques, business forecasts, sales information, pricing, manufacturing information and assets. Notwithstanding the foregoing, Confidential Information of a Party shall not include (a) any such information of any [***], when referring to information required by this Agreement to be provided by Halozyme to Company (but shall include such information of any [***] to the extent actually provided by Halozyme or its Affiliates under this Agreement), and (b) that portion of information that, and only to the extent, the recipient can establish by written documentation: (1) is known to the recipient as evidenced by its pre-existing written records before receipt thereof from the Disclosing Party, (2) is disclosed to the recipient free of confidentiality obligations by a third person who has the right to make such disclosure, (3) is or becomes part of the public domain through no fault of the recipient, or (4) the recipient can reasonably establish is independently developed by persons on behalf of recipient without use of or reference to the information disclosed by the Disclosing Party as evidenced by written records contemporaneously maintained with such development.

1.26 "Control" means with respect to any item or right, the possession of (whether by ownership or license, other than pursuant to this Agreement) or the ability of a Party or its Affiliates, at the relevant time, to grant access to, or a license or sublicense of, such item or right as provided for herein without violating the terms of any agreement or other arrangement with any Third Party existing at the time such Party would be required hereunder to grant the other Party such access or license or sublicense; and "Controlled" shall be interpreted accordingly.

1.27 "Convicted Entity" has the meaning set forth in Section 2.2.7(d).

1.28 "Convicted Individual" has the meaning set forth in Section 2.2.7(d).

1.29 "Cover" or "Covering" as used in relation to a Patent Right and a product means that such Patent Right would be infringed by the [***] of such product, including infringement of patent claims [***]; and as used in relation to a Patent Right and an invention shall mean that such Patent Right claims such invention. As used in this definition, pending patent claims will be considered as if they had been issued in the form in which they are pending at the time "Coverage" is considered.

1.30 "CRO" has the meaning set forth in Section 5.2.2.

1.31 "Debarred Entity" has the meaning set forth in Section 2.2.7(b).

1.32 "Debarred Individual" has the meaning set forth in Section 2.2.7(a).

1.33 "Disclosing Party" has the meaning set forth in Section 9.1.

1.34 "DMF" means a Drug Master File filed with the FDA, EMA, MHLW or another foreign equivalent.

1.35 "Effective Date" has the meaning set forth in the preamble.

1.36 "EMA" means the European Medicines Agency of the European Union, or the successor thereto.

1.37 "Enforcing Party" has the meaning set forth in Section 8.4.4.

1.38 **"**European Union**"** or **"**EU**"** means the countries of the United Kingdom and the countries of the European Economic Area, as it is constituted on the Effective Date and as it may be modified from time to time after the Effective Date. For clarity, England, Scotland, Wales, and Northern Ireland will at all times be included in this definition of European Union or EU, in each case regardless of status in the European Union.

1.39 "Excluded Entity" has the meaning set forth in Section 2.2.7(c).

1.40 [***]

1.41 "Excluded Individual" has the meaning set forth in Section 2.2.7(c).

1.42 [***]

1.43 "FDA" means the United States Food and Drug Administration, or the successor thereto.

1.44 "FDA's Disqualified/Restricted List" has the meaning set forth in Section 2.2.7(e).

1.45 "Field" shall mean all human and non-human diagnostic, therapeutic, and prophylactic uses.

1.46 "Firewalls" means effective walls and screens established between Company, on the one hand, and on the other hand, the [***], to ensure that no non-public information, materials [***] or non-personnel resources [***], or any non-public information, materials or non-personnel resources relating to [***] are disclosed to or otherwise accessible [***].

1.47 "First Commercial Sale" means, with respect to a Product and a given country, the first sale of a Product by Company or its Affiliates or any of its or their permitted sublicensees or distributors [***] in such country after all applicable marketing approvals (if any) have been granted by the applicable Regulatory Authority or under an emergency use authorization or similar permission that authorizes sales prior to receipt of marketing approvals, [***].

1.48 "FTE" means the equivalent of the work of one qualified employee or agent for the applicable activities, full time, for one year (constituting [***] working hours). An individual contributing work for less than [***] hours per year shall be deemed a fraction of an FTE on a pro-rata basis.

1.49 "FTE Rate" means [***] per year, as may be updated pursuant to Section 1.51.

1.50 "Fully Burdened Manufacturing Cost" means Halozyme's reasonable and necessary internal and Third Party costs incurred in manufacturing or acquisition of API, including [***].

1.51 "Fully Burdened Work Plan Cost" means the cost to conduct the research and development activities to be conducted by Halozyme as set forth in the Work Plan calculated on the product of (i) [***], and (ii) [***].

1.52 "Halozyme" has the meaning set forth in the preamble.

1.53 "Halozyme Assay" has the meaning set forth in Section 5.2.2.

1.54 [***]

1.55 [***]

1.56 "Halozyme Indemnitees" has the meaning set forth in Section 10.1.

1.57 "Halozyme Prosecuted Patents" has the meaning set forth in Section 8.4.1(a).

1.58 "ICDR" or the "Arbitration Center" has the meaning set forth in Section 12.1.

1.59 "Indemnitee" has the meaning set forth in Section 10.3.

1.60 "Indemnitor" has the meaning set forth in Section 10.3.

1.61 "Initiation" means the first patient dosed, in any treatment arm, in the applicable clinical trial to evaluate a Product.

1.62 "Know-How Rights" means, whether or not patentable or otherwise protected by trade secret law, any and all know-how, including knowledge that is technical, scientific, regulatory, and/or business-related (including research, development, and commercial); analysis; assistance; data and information (including clinical and regulatory data and information related to plasmids, proteins, cell lines, assays and compounds); designs; efficiencies; experience; formulae; ideas; improvements; instructions; inventions; means; methods; modeling (including pharmacokinetic, pharmacodynamics, and translational modeling); pharmacovigilance know-how; processes; practices; procedures; programs; quality, supply chain, and manufacturing know-how; safety information; skills; specifications; studies; techniques; tests; and toxicology results; in any form and irrespective of whether the foregoing is confidential, proprietary, patented (or patentable), and any modifications, variations, derivative works and improvements of or relating to any of the foregoing.

1.63 [***]

1.64 "Liabilities" has the meaning set forth in Section 10.1.

1.65 "Licensed IP Rights" means, collectively, the Licensed Know-How Rights and Licensed Patent Rights. For avoidance of doubt, the "Licensed IP Rights" do not include any [***].

1.66 "Licensed Know-How Rights" means all Know-How Rights relating to the PH20 Drug that are Controlled by Halozyme or its Affiliate(s) [***] (a) as of the Effective Date, (b) that are discovered, created, conceived, or reduced to practice by Halozyme or its Affiliate(s) [***] during the Term in the conduct of activities under this Agreement [***] or (c) that are disclosed to Company by Halozyme or its Affiliate(s) [***] during the Term in the course of activities under this Agreement; that, in each case of the foregoing (a), (b) and (c), are [***] to develop, obtain Regulatory Approval for, manufacture, commercialize, or use Products; [***].

1.67 "Licensed Marks" means the HALZOYME name and ENHANZE mark, or such other trademarks, trade names, designs and markings Controlled by Halozyme and designated from time to time in writing by Halozyme for use by Company under this Agreement pursuant to Article 5.

1.68 "Licensed Patent Rights" means all Patent Rights in the Territory that are Controlled by Halozyme or its Affiliate(s) [***]: (a) as of the Effective Date; (b) that claim inventions that are discovered, created, conceived, or reduced to practice, by Halozyme or its Affiliate(s) [***] during the Term in the conduct of activities under this Agreement; that, in each case of the foregoing (a) and (b), Cover any Product, including [***]; (c) that Cover any invention that is first discovered, created, conceived, or reduced to practice solely by Halozyme or its Affiliate(s) [***] during the Term outside of the conduct of activities under this Agreement; or (d) otherwise come into the Control of Halozyme or its Affiliate(s) [***] during the Term; and that, in each case of the foregoing (c) and (d), Cover the PH20 Drug. "Licensed Patent Rights" include the Patent Rights listed on Exhibit A and the Collaboration Supported PH20 Patents, but exclude [***].

1.69 "MHLW" means the Ministry of Health, Labour and Welfare of Japan, or the successor thereto.

1.70 "NDA/BLA/MAA" means a Biologics License Application ("BLA") or New Drug Application ("NDA") submitted to the FDA or a Market Authorization Application ("MAA") submitted to the EMA or MHLW, or any supplemental filing to a BLA, NDA or MAA that is relevant to the Product being developed.

1.71 "Net Sales" means, with respect to any Product, the gross sales of such Products invoiced by or otherwise recognized by Company or any of its Affiliates, or any of its or their sublicensees, or distributors (the "Selling Parties"), to such Third Parties, less, to the extent actually paid or accrued by the Selling Party (as applicable): (a) [***], *provided* that the foregoing are consistent with the same as taken or given for similar products by the Selling Party (as applicable); (b) [***], *provided* that when the foregoing are bundled with other products, all such deductions shall be fairly and equitably allocated across the Product and other products to avoid a disproportionate share of deductions to the Products. Any deductions that satisfy more than one

of the foregoing criteria shall only be deducted once for purposes of calculating Net Sales. For clarity, Net Sales shall not include sales and marketing expenses. Notwithstanding the foregoing, all deductions applied to Net Sales shall be in accordance with U.S. GAAP from the books and records of the applicable Selling Party or, [***], such similar accounting principles, consistently applied. In determining such amounts, [***].

When determining Net Sales, if Company or its Affiliates, or its or their sublicensees, sells a Product to a Third Party who also purchases other products or services from Company, its sublicensees or their respective Affiliates, and Company, its sublicensees or their respective Affiliates discounts the purchase price of such Product to a greater degree than it generally discounts the price of its other products or services to such customer, then in such case the Net Sales for the sale of such Product to such Third Party shall equal the arm's length price that Third Parties would generally pay for the Product alone when not purchasing any other product or service from Company, its sublicensee or their respective Affiliates.

1.72 "Non-Enforcing Party" has the meaning set forth in Section 8.4.4.

1.73 "Other Halozyme Assay" has the meaning set forth in Section 5.2.2.

1.74 "Party" has the meaning set forth in the preamble.

1.75 "Patent Rights" means any and all patents and patent applications in the Territory (which for the purpose of this Agreement shall be deemed to include certificates of invention and applications for certificates of invention), including provisional applications, divisionals, continuations, continuations-in-part, patents-of-addition, reissues, renewals, substitutions, registrations, re-examinations, revalidations, extensions, supplementary protection certificates, or restorations by existing or future extension or restoration mechanisms, including patent term adjustments, patent term extensions, supplementary protection certificates or the equivalent thereof and the like of any such patents and patent applications, and foreign equivalents of the foregoing.

1.76 "PH20 Collaboration Inventions" has the meaning set forth in Section 8.1.2.

1.77 "PH20 Drug" means [***].

1.78 "Phase I Clinical Trial" means a human clinical trial in any country that is intended to initially evaluate the safety and/or pharmacological effect of a product in subjects or that would otherwise satisfy requirements of 21 CFR 312.21(a), or its foreign equivalent.

1.79 "Phase II Clinical Trial" means a human clinical trial in any country that is intended to initially evaluate the effectiveness of a product for a particular indication or indications in patients with the disease or indication under study or that would otherwise satisfy requirements of 21 CFR 312.21(b), or its foreign equivalent.

1.80 "Phase III Clinical Trial" means a pivotal human clinical trial in any country the results of which could be used to establish safety and efficacy of a product as a basis for an NDA/BLA/MAA or foreign equivalent, or that would otherwise satisfy requirements of 21 CFR 312.21(c), or its foreign equivalent.

1.81 "Product" means a product that consists of (a) a Company Molecule (and no other active pharmaceutical ingredients), and (b) PH20 Drug [***].

1.82 "Receiving Party" has the meaning set forth in Section 9.1.

1.83 "Regulatory Approval" means all technical, medical and scientific licenses, registrations, regulatory inspections, authorizations and approvals (including approvals of NDA/BLA/MAAs or any foreign equivalents, supplements and amendments, pre- and post-approvals, pricing and Third Party reimbursement approvals, and labeling approvals) of any Regulatory Authority, necessary for the use, development, manufacture, and commercialization of a pharmaceutical product in a regulatory jurisdiction.

1.84 "Regulatory Approval Date" means the date on which Company receives written approval from the applicable Regulatory Authority for a NDA/BLA/MAA for a Product in the first indication in the Field.

1.85 "Regulatory Authority" means any applicable government regulatory authority involved in granting approvals for the manufacturing, marketing, reimbursement and/or pricing of a product in the Territory, including the FDA in the United States, EMA in the EU, and MHLW in Japan.

1.86 "Royalty Term" shall mean, with respect to each Product and a given country, the period commencing with the First Commercial Sale of the applicable Product and continuing until the last to occur of (a) if the Product is Covered by a Valid Claim in such country, the end of the term for which such Valid Claim remains in effect and Covers the Product, and (b) [***] following the date of the First Commercial Sale of Product in such country.

1.87 "Selling Parties" has the meaning set forth in Section 1.71.

1.88 "Term" has the meaning set forth in Section 11.1.

1.89 "Territory" shall mean worldwide.

1.90 "Third Party" means any person or entity other than Halozyme, Company and their respective Affiliates.

1.91 "Up-Front Fee" has the meaning set forth in Section 4.1.

1.92 "Valid Claim" means, on a country-by-country basis, (a) a claim of an issued and unexpired patent in such country included within the Licensed Patent Rights or the Collaboration Supported Product Patents, which claim has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which claim has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise, or (b) a claim of a pending patent application in such country included within the Licensed Patent Rights or the Collaboration Supported Product Patents, which claim (i) was filed in good faith, (ii) [***], and (iii) has not been abandoned or finally disallowed without the possibility of appeal or refiling of such application.

1.93 "Work Plan" shall have the meaning set forth in Section 5.2.3.

2. REPRESENTATIONS, WARRANTIES AND COVENANTS.

2.1 By Each Party. Each Party covenants, represents, and warrants to the other Party, as follows:

2.1.1 Organization. Such Party is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized.

2.1.2 Authorization and Enforcement of Obligations. Such Party (a) has the requisite power and authority and the legal right to enter into this Agreement and to perform its obligations hereunder, (b) has taken all requisite action on its part to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder, and (c) will ensure the performance of their Affiliates [***] and sublicensees in connection with this Agreement. This Agreement has been duly executed and delivered on behalf of such Party, and constitutes a legal, valid and binding obligation, enforceable against such Party in accordance with its terms.

2.1.3 Consents. All necessary consents, approvals and authorizations of all governmental authorities and other persons or entities required to be obtained by such Party in connection with this Agreement have been obtained.

2.1.4 No Conflict. The execution and delivery of this Agreement and the performance of such Party's obligations hereunder (a) do not conflict with or violate any requirement of applicable laws, regulations or orders of governmental bodies; and (b) do not conflict with, or constitute a default under, any contractual obligation of such Party.

2.1.5 No Debarment. In the course of the development of each Product, neither Party shall use any employee or consultant who has been debarred by any Regulatory Authority, or, to the best of such Party's knowledge, is the subject of debarment proceedings by a Regulatory Authority.

2.2 By Halozyme. Halozyme further covenants, represents and warrants to Company as follows:

2.2.1 Halozyme (a) as of the Effective Date, exclusively owns all rights, title and interest in and to the Licensed IP Rights, (b) has the right to grant the licenses under the Licensed IP Rights pursuant to this Agreement, and (c) subject to Section 12.3, shall not assign, license or otherwise transfer the Licensed IP Rights to a Third Party to the extent such assignment, license, or transfer would impair the licenses and rights granted hereunder.

2.2.2 Exhibit A sets forth a complete and accurate list of (a) all Licensed Patent Rights existing as of the Effective Date, and (b) the owner of such Licensed Patent Rights.

2.2.3 [***].

2.2.4 Halozyme has not, prior to the Effective Date, and shall not during the Term, analyze, design around, or otherwise reverse engineer, or cause a Third Party to analyze, design around, or otherwise reverse engineer, any Company Molecule for chemical composition, or utilize Company's Confidential Information for development of a Company Molecule biosimilar, generic, biobetter, or other variant, or assist any Third Party in doing any of the foregoing.

2.2.5 As of the Effective Date, Halozyme [***] of any claim that the use or practice of the Licensed IP Rights within the scope of the licenses granted hereunder infringes or misappropriates the intellectual property rights of a Third Party.

2.2.6 As of the Effective Date, Halozyme [***] that it or any of its designated representatives have: (a) made an untrue statement of material fact or fraudulent statement to the FDA or any other Regulatory Authority with respect to the development of the PH20 Drug, (b) failed to disclose a material fact required to be disclosed to the FDA or any other Regulatory Authority with respect to the development of the PH20 Drug, or (c) committed an act, made a statement, or failed to make a statement with respect to the development of the PH20 Drug that could reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities", set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereto or any applicable analogous laws or policies in the Territory.

2.2.7 As of the Effective Date, Halozyme has never been the subject of a proceeding that could lead to it becoming a Debarred Entity, Excluded Entity or Convicted Entity and it will not use in any capacity under this Agreement any person who is a Debarred Individual, Excluded Individual or a Convicted Individual. Halozyme further covenants that if, during the Term, it becomes a Debarred Entity, Excluded Entity or Convicted Entity, or listed on the FDA's Disqualified/Restricted List or if any employee or agent performing any of its obligations hereunder becomes a Debarred Individual, Excluded Individual or a Convicted Individual, or added to the FDA's Disqualified/Restricted List, Halozyme shall immediately notify Company and Company shall have the right to terminate this Agreement for Halozyme's breach in accordance with Section 11.2; *provided*, however, that notwithstanding the cure period in Section 11.2, whether Halozyme is afforded an opportunity to cure such breach will be in Company's sole discretion. If Company does not allow a cure period, termination will be effective immediately. For purposes of this provision and Section 2.3, the following definitions shall apply:

(a) A "Debarred Individual" is an individual who has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from providing services in any capacity to a person that has an approved or pending drug or biological product application.

(b) A "Debarred Entity" is a corporation, partnership or association that has been debarred by the FDA pursuant to 21 U.S.C. §335a (a) or (b) from submitting or assisting in the submission of any abbreviated drug application, or a subsidiary or affiliate of a Debarred Entity.

(c) An "Excluded Individual" or "Excluded Entity" is (i) an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to

participate in federal health care programs such as Medicare or Medicaid by the Office of the Inspector General (OIG/HHS) of the U.S. Department of Health and Human Services, or (ii) is an individual or entity, as applicable, who has been excluded, debarred, suspended or is otherwise ineligible to participate in federal procurement and non-procurement programs, including those produced by the U.S. General Services Administration (GSA).

(d) A "Convicted Individual" or "Convicted Entity" is an individual or entity, as applicable, who has been convicted of a criminal offense that falls within the ambit of 21 U.S.C. §335a (a) or 42 U.S.C. §1320a – 7(a), but has not yet been excluded, debarred, suspended or otherwise declared ineligible.

(e) "FDA's Disqualified/Restricted List" is the list of clinical investigators restricted from receiving investigational drugs, biologics, or devices if the FDA has determined that the investigators have repeatedly or deliberately failed to comply with regulatory requirements for studies or have submitted false Information to the study sponsor or the FDA.

2.3 By Company. Company further covenants, represents and warrants to Halozyme as follows:

2.3.1 Company and its Affiliates have never been the subject of a proceeding related to it or its Affiliates becoming a Debarred Entity, Excluded Entity or Convicted Entity and it and its Affiliates will not use in any capacity under this Agreement any person who is a Debarred Individual, Excluded Individual or a Convicted Individual. Company further covenants that if, during the Term, it or its Affiliates become a Debarred Entity, Excluded Entity or Convicted Entity, or listed on the FDA's Disqualified/Restricted List or if any employee or agent performing any of its obligations hereunder becomes a Debarred Individual, Excluded Individual or a Convicted Individual, or added to the FDA's Disqualified/Restricted List, Company shall immediately notify Halozyme and Halozyme shall have the right to terminate this Agreement for Company's breach in accordance with Section 11.2.

2.3.2 As of the Effective Date, neither Company nor its Affiliates are conducting any research and development regarding the use of hyaluronidase as a drug delivery technology, other than any activities performed in relation to PH20 Drug pursuant to a material transfer agreement with Halozyme, as applicable.

2.3.3 Company has not, prior to the Effective Date, and shall not during the Term, analyze, design around, or otherwise reverse engineer, or cause a Third Party to analyze, design around, or otherwise reverse engineer, the Licensed IP Rights or PH20 Drug for chemical composition, or utilize Halozyme's Confidential Information for development of a PH20 Drug biosimilar, generic, biobetter, or other variant, or assist any Third Party in doing any of the foregoing.

2.4 DISCLAIMER OF WARRANTIES. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OR WARRANTY REGARDING VALIDITY, ENFORCEABILITY,

MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT.

3. LICENSES.

3.1 License Grants to Company.

3.1.1 Preclinical Research License.

(a) Subject to the terms and conditions of this Agreement, Halozyme hereby grants to Company a limited, non-exclusive, non-transferable, worldwide, [***], preclinical research license under the Licensed IP Rights solely for the purpose of conducting research and pre-clinical development of the Product, including in preclinical studies *in vitro* and *in vivo* in any non-human species in the Field. Notwithstanding the foregoing:

(i) Prior to conducting any preclinical studies with respect to the Product, Company shall provide to Halozyme the study plan for Halozyme's review, and as promptly as practicable (but in any event, within [***] of receipt), Halozyme shall notify Company in writing of its approval, conditional approval (*e.g.*, subject to providing additional information, as Halozyme may reasonably request), or denial of such plan; *provided* that [***]; and

(ii) Company shall not conduct any preclinical study utilizing PH20 Drug as the sole active ingredient without the prior written consent of Halozyme, [***].

(b) Company shall not (i) use any of the data, results, analysis or conclusions resulting from the research conducted under this Section 3.1.1 to file or prosecute in any country any patent application or to support any existing patent applications (other than as provided in Article 8), or (ii) publish or publicly disclose any such data, results, analysis or conclusions resulting from the research conducted under this Section 3.1.1, in each case without the prior written consent of Halozyme, [***].

(c) Subject to the terms and conditions of this Agreement (including Halozyme's confidentiality and non-use obligations with respect to the Confidential Information of Company), nothing in this Section 3.1.1 shall preclude Halozyme from conducting research, or negotiating, or granting any Third Party, rights to conduct research, with respect to using PH20 Drug in any field or related to any target or condition.

3.1.2 Commercial License. Subject to the terms and conditions of this Agreement, Halozyme hereby grants to Company a limited, non-exclusive, non-transferable, [***], worldwide license under the Licensed IP Rights, to develop, make, have made, use, offer for sale, sell, and import Products in the Territory for use in the Field. [***]. Except as expressly set forth in this Agreement, Company shall not otherwise have any rights to use or license (or sublicense) the Licensed IP Rights or the PH20 Drug.

3.2 Sublicenses.

3.2.1 Company shall have the right to grant sublicenses [***].

3.2.2 Any such sublicense permitted by this Section shall: (a) be in writing, (b) include terms regarding confidentiality, inventions, and intellectual property ownership that [***], and (c) impose nondisclosure and use restrictions that [***]. Company will provide Halozyme with a copy of any sublicense agreement promptly following its execution; *provided* that [***]. Notwithstanding the foregoing, Company shall remain liable for all breaches of this Agreement by any sublicensee, shall indemnify Halozyme for Third Party claims in connection with or arising out of a sublicensee's actions or inaction as provided in Section 10.2, and shall remain responsible for all obligations and payments due to Halozyme hereunder.

3.3 No Implied Licenses. Only licenses and rights expressly granted herein shall be of legal force and effect. No license or other right shall be created hereunder by implication, estoppel or otherwise. [***].

4. FINANCIAL TERMS.

4.1 License Fee. Company shall pay to Halozyme an initial, up-front license fee [***] (the "Up-Front Fee"). Halozyme shall issue an invoice to Company for the Up-Front Fee promptly after the Effective Date, and such invoice shall be due and payable by Company to Halozyme within [***] of issuance of such invoice.

4.2 Milestone Payments.

4.2.1 Development Milestones. Within [***] of the first achievement by any Product of a development milestone identified in the table below, Company shall provide written notice of such milestone achievement to Halozyme, including the date on which each such development milestone was achieved. Within [***] following the first achievement of each of the following development milestones for any Product, Company shall pay to Halozyme the corresponding non-refundable, non-creditable, one-time milestone payment:

Table 4.2.1 – Development Milestone Payments

	Development Milestone	**Milestone Payment (in United States Dollars, or "USD")**
(a)	[***]	[***]
(b)	[***]	[***]

4.2.2 First Commercial Sale Milestones. Within [***] of the first achievement by any Product of each First Commercial Sale milestone identified in the table below, Company shall provide written notice of such milestone achievement to Halozyme, including the date on which each such First Commercial Sale milestone was achieved. Within [***] following the first achievement of each of the following First Commercial Sale milestones by a Product, Company shall pay to Halozyme the corresponding non-refundable, non-creditable, one-time milestone payment.

Table 4.2.2 – Commercial Milestone Payments

	First Commercial Sale Milestone	Milestone Payment (in United States Dollars, or "USD")
(a)	[***]	[***]
(b)	[***]	[***]
(c)	[***]	[***]

4.2.3 Worldwide Net Sales Milestones. Within [***] following the end of any calendar [***] in which Net Sales of Products during the Royalty Term, following First Commercial Sale, collectively, reach each worldwide aggregate Net Sales milestone identified in the table below, Company shall pay to Halozyme the corresponding non-refundable, non-creditable, one-time milestone payment. Notwithstanding the foregoing timing, Company shall use reasonable efforts to notify Halozyme of the achievement of each worldwide aggregate Net Sales milestone identified in the table below as promptly as possible following such achievement.

Table 4.2.3 – Aggregate Net Sales Milestone Payments

	Aggregate Worldwide Net Sales of Products during the Royalty Term	Milestone Payment (in United States Dollars, or "USD")
(a)	[***]	[***]
(b)	[***]	[***]
(c)	[***]	[***]
(d)	[***]	[***]

4.2.4 For the avoidance of doubt, each of the foregoing milestone payments set forth in Sections 4.2.1-4.2.3 will be paid one time only.

4.3 Royalties. Each calendar [***] during the Royalty Term, Company shall pay to Halozyme royalties on Net Sales of Products at the below rates. [***].

Table 4.3 – Royalty Rates

Net Sales in a Calendar Year during the Royalty Term	Royalty Rate

4.3.1 As to any such Product, the royalty rate will become effective as of the [***] in which there is a First Commercial Sale of a Product in a country in the Territory, and continue in effect until the end of the applicable Royalty Term in such country.

4.3.2 Company shall pay to Halozyme royalties described in this Section 4.3 within [***] after the end of each such [***] attributable to Net Sales from Products sold during the immediately preceding [***].

4.3.3 [***]

4.4 Third Party Patent and Know-How Rights. Halozyme will be responsible for, and will pay, all amounts due to Third Parties in consideration for a grant of rights to Halozyme under any Patent Right that is published (with respect to application) or issued, in each case, as of the Effective Date and that [***]. Company will be responsible for all amounts due to Third Parties in consideration for a grant of rights to Company under any other Patent Rights or Know-How Rights that are used in the development, use, manufacture, sale, offer for sale, or commercialization of any Product.

4.5 Royalty Reports; Records; Estimates; Business Reviews.

4.5.1 Each calendar [***] commencing with the calendar [***] in which there is a First Commercial Sale of a Product and ending with [***], Company shall provide to Halozyme a non-binding preliminary report containing good faith "flash" estimates on worldwide Net Sales and calculation of royalties due under Section 4.3 within [***]. Halozyme acknowledges and agrees that such reports will be provided on an "as-is" basis, and it will not rely on such reports or the content thereof for purposes of any claims against Company or any of its Affiliates under or with respect to the subject matter thereof. Company shall also provide to Halozyme the final report within [***] after the end of [***]. Such final written report shall be in the same form as the form attached hereto as Exhibit C, and will provide specific detail on a country-by-country basis.

4.5.2 With respect to amounts invoiced in United States dollars, all such amounts shall be expressed in United States dollars. With respect to amounts invoiced in a currency other than United States dollars, all such amounts shall be expressed both in the currency in which the sale is invoiced and in the United States dollar equivalent. With respect to sales of a Product incurred in a currency other than United States dollars, such amounts and the amounts payable hereunder shall be expressed in their United States dollar equivalent calculated using the currency rates described herein. For each calendar year during which royalties become due, Company shall provide the currency rate to be used for the local currency of each country in the Territory in which any royalty-bearing Net Sales are expected to occur based on the average of the exchange rates (local currency per US$1) published in *The Wall Street Journal*, Western Edition, under the heading "Currency Trading" on the last Business Day of October. Company shall provide currency rate details in writing no later than [***] after the currency rates are available. Each currency rate will remain constant throughout the upcoming calendar year. Company shall use the currency rate(s) to convert Net Sales to United States Dollars for the purpose of calculating royalty payments hereunder. Company shall keep, to the extent such information is reasonably available, complete and accurate records in sufficient detail to properly reflect all Net Sales and to enable the royalties payable to be determined. All royalties payable hereunder shall be calculated based on Net Sales expressed in United States dollars.

4.5.3 Company shall keep complete and accurate records in sufficient detail to properly reflect all gross sales and Net Sales and to enable the royalties payable to be determined.

4.5.4 No later than November 15 of each calendar year of the term, Company shall, on an annual basis, provide Halozyme with a guidance report setting out [***]. It is understood by the Parties that the guidance report provided shall be non-binding but in good

faith [***], and that, notwithstanding any provision herein to the contrary, Halozyme shall not be entitled to rely on such reports or the content thereof for purposes of any claims against Company or any of its Affiliates under or with respect to the subject matter of this Agreement. [***].

4.5.5 Company and Halozyme shall conduct a business review to discuss resource planning on an as-needed basis, but not less than once per calendar year. Global Product leaders or similar qualified experts may participate in such business review meeting for the purposes of helping to understand actual results as well as the forecast of the current and future calendar years of Products. Prior to such business reviews, either Party may request that the other Party provide a report or such other written information as it believes will be relevant for such meeting, such as, in the case of Company, Product sales forecast details for Halozyme to understand market adoption and factors that may affect future market adoption on a country-by-country level, plans for any regulatory label submissions and approvals in the upcoming [***] period, intellectual property matters (*e.g.*, reviewing disclosures and ownership of Collaboration Inventions), and in the case of Halozyme, manufacturing capacity and regulatory information.

4.6 Audits. Upon the written request of Halozyme and not more than once in a [***] period, Company shall permit an independent certified public accounting firm of nationally recognized standing, selected by Halozyme and reasonably acceptable to Company, to have access during normal business hours to such records of Company as may be reasonably necessary to verify the accuracy of the royalty reports hereunder for any year ending not more than [***] prior to the date of such request and that have not previously been audited. The accounting firm shall disclose to Halozyme only whether the reports are correct and the specific details of any discrepancy, but no other information shall be shared. If such accounting firm concludes that additional royalties were owed during the audited period, or that excess royalties were paid during the audited period, Company shall pay such additional royalties, or Halozyme shall provide Company with a credit for such excess royalties, as the case may be, within [***] of the date Halozyme delivers to Company such accounting firm's written report so concluding. [***]. Halozyme shall treat all financial information subject to review under this Section 4.6 as confidential, and shall cause its accounting firm to retain all such financial information in confidence.

4.7 Withholding Taxes. Company shall pay to the appropriate governmental authority on behalf of Halozyme such taxes, levies or charges that are withheld. Company shall use reasonable efforts to take such action as may be reasonably requested by Halozyme, and at Halozyme's cost, to minimize any such taxes, levies or charges required to be withheld on behalf of Halozyme by Company, *provided* that such actions do not, or could not reasonably be expected to, adversely affect or impact Company or any of its Affiliates. Company promptly shall deliver to Halozyme proof of payment of all such taxes, levies and other charges, together with copies of all communications from or with such governmental authority with respect directly related thereto. Any amounts so withheld or deducted from the payment due to Halozyme pursuant to the relevant law or regulation will be deemed paid to Halozyme for all purposes of this Agreement.

4.8 Payment Method. All payments by Company to Halozyme hereunder shall be in United States Dollars in immediately available funds (or funds that will be available on or prior to the date such payment is due) and shall be made by wire transfer to such bank account as designated from time to time by Halozyme to Company. Any payment properly due under this

Agreement that is not subject to a good faith dispute which is not paid when due in accordance with the applicable provisions of this Agreement shall bear interest at an annual rate of two hundred (200) basis points above the U.S. prime lending rate (as reported in the *Wall Street Journal* (Western Edition)) or if unavailable such other prime rate standard as the Parties may agree in good faith, or the maximum allowable by law if less.

5. PRODUCT DEVELOPMENT AND COMMERCIALIZATION.

5.1 Alliance Program Management. Immediately following the Effective Date, each Party shall appoint an alliance leader and a technical leader for each program related to the Products. The alliance leader will be responsible for coordinating all business-related activities and the technical leader will be responsible for coordinating all technical-related activities. The alliance manager and technical leader can be the same person if so qualified. Each Party shall notify the other Party in writing upon making or changing any of these appointments. The alliance leader shall be the first point of contact for conflict resolution, and shall oversee the alliance program team, whose purpose shall be to (a) exchange information, (b) oversee the strategic, technical and operational aspects of the Product(s) under this Agreement, and (c) form functional working groups, as both Parties may deem appropriate. Beginning with the Effective Date, the alliance program team(s) will have quarterly meetings, unless to the Parties otherwise agree on more frequent meetings. Among its responsibilities, the alliance program team shall draft and review the Work Plans and all amendments thereto; *provided*, that the Work Plans and any amendments must be executed by the Parties. Each Party shall be responsible for its own expenses in connection with the meetings of the alliance program team. Each Party (alternating from meeting to meeting) shall prepare and provide the other Party with written minutes of the alliance program team meetings within [***] after the meeting, which minutes shall be subject to the reasonable comment and written approval of the other Party, which in no event will be later than the next alliance program team meeting. For clarity, absent mutual agreement otherwise, alliance program meetings will be in addition to and not replace other meetings and/or processes referenced in this Agreement.

5.2 Responsibility.

5.2.1 Company Responsible. Except as otherwise set forth in this Section 5.1, Company shall be solely responsible, at its sole cost, for conducting all development, manufacture, Regulatory Approval and commercialization of Products, and shall own all clinical data, regulatory applications, filings, approvals and licenses for each Product. Notwithstanding the foregoing, Company shall not conduct any study utilizing PH20 Drug (a) as the sole active ingredient, (b) in a placebo arm (including with saline or in any other formulation), or (c) in an arm with blood derived products, in each case, without the prior written consent of Halozyme.

5.2.2 Assays. Company shall use certain bioanalytical, clinical immunogenicity and/or pharmacokinetics assays provided by Halozyme for the PH20 Drug on a stand-alone basis (each, a "Halozyme Assay") as well as certain formulation and manufacturing assays ("Other Halozyme Assays"). The bioanalytical Halozyme Assay will be available by Halozyme through its designated Contract Research Organization ("CRO"). Company shall use the bioanalytical Halozyme Assay in the research and development of the Products; *provided* that if Company believes that such Halozyme Assay will not work with a Product, then Company shall

notify Halozyme and the Parties shall work together to determine an appropriate solution for the research and development of the applicable Product. All Halozyme Assays and Other Halozyme Assays provided or made available by Halozyme shall be the sole and exclusive property of Halozyme and shall be Halozyme Confidential Information. Without limiting the foregoing or Article 9, Company may use the Halozyme Assays and Other Halozyme Assays solely for its internal research and development of Products under this Agreement (including with respect to regulatory submission requirements) and for no other purpose. Company may transfer the Other Halozyme Assays to its Affiliates and Third Party CROs that are conducting research and development of Products for Company, pursuant to the foregoing restrictions. At reasonable cost, Halozyme shall provide to Company reference standards for use with the Other Halozyme Assays. Company shall provide Halozyme with at least [***] of lead time for preparation and supply of any required Halozyme reference standards and reagents. Halozyme will use reasonable efforts to fulfill any requests for reference standards and reagents that are less than [***] but will not be obligated to do so. Company shall provide to Halozyme all data resulting from the use of the Halozyme Assays. All data generated by or on behalf of with respect to such Halozyme Assays shall be owned by Company and shall be Company Confidential Information for purposes of this Agreement.

5.2.3 Work Plan. Company shall engage Halozyme to conduct development and regulatory work for the PH20 Drug component of each Product and for providing technical assistance regarding the development of each Product. All such activities by Halozyme shall be conducted at the reasonable request of Company pursuant to a mutually acceptable written work plan that (a) will be in writing and signed by duly authorized representatives of each of the Parties; (b) will expressly refer to this Agreement, will form a part of this Agreement, and will be subject to the terms and conditions contained herein; and (c) describes the specific research and development activities to be conducted by Halozyme (such work plan, as executed, the "Work Plan"). A sample outline of the Work Plan, which is non-binding in all respects, is attached hereto in Schedule 5.2.3. The Parties shall prepare the initial draft of the Work Plan within [***] after the Effective Date. On the [***] anniversary of the Effective Date, and each [***] period thereafter, the Parties shall meet to determine whether the Work Plan needs to be updated to reflect actual development and regulatory work being conducted (or that needs to be conducted). Halozyme shall not have any obligation to conduct any development or regulatory work that is not set forth in the Work Plan. Each [***], Halozyme shall invoice Company for the Fully Burdened Work Plan Cost to Halozyme to conduct such activities, and Company shall pay each such invoice within [***] after receipt.

5.2.4 Dossier. Within [***] following the Effective Date, Halozyme shall, at Halozyme's cost, provide Company with a dossier for the PH20 Drug for Company's use in Regulatory Approval filings and transfer to Company appropriate PH20 Drug-related methods and processes that are Controlled by Halozyme in order to enable Company to release Products for clinical and commercial purposes; *provided* that with respect to Halozyme Assays, Halozyme shall only provide those that are specified to be provided by Halozyme pursuant to Section 5.2.2 or are subsequently developed by Halozyme and made available to licensees of the PH20 Drug. Such dossier will include information within Halozyme's Control and regarding PH20 Drug, including chemistry, manufacturing and controls sections and pre-clinical pharmacology and toxicology sections. Halozyme shall own any DMF for the PH20 Drug substance of each Product. If Halozyme files, holds, or controls a DMF or other regulatory registration for the PH20 Drug

substance: (a) Company shall have the right to cross-reference such DMF or regulatory registration; or (b) in countries where this is not feasible, Halozyme shall provide Company, at Company's cost, with such information in Halozyme's Control regarding the PH20 Drug substance of each Product as is reasonably necessary for Company to include in the applicable Regulatory Approval filings for such Product. Halozyme shall promptly notify Company of any changes to the dossier or (if applicable) DMF or regulatory registration for the PH20 Drug substance. Company shall promptly notify Halozyme of any changes mandated or requested by any Regulatory Authority prior to making any such changes to the dossier or (if applicable) DMF for the PH20 Drug in order to enable the Parties to agree on the appropriate changes to be made. During the [***] period following the Effective Date, Halozyme shall reasonably cooperate with Company, at Halozyme's cost for up to [***], to assist Company with understanding and using the Licensed Know-How Rights and dossier for the PH20 Drug provided by Halozyme under this Section 5.2.4.

5.2.5 Authorizations. In addition to Section 5.2.4, Company may request Halozyme to provide authorization to regulatory agencies for Company to cross-reference appropriate regulatory filings previously made by Halozyme or its Affiliates regarding PH20 Drug as necessary with respect to obtaining Regulatory Approval for any Product. Halozyme shall not unreasonably withhold letters of authorization.

5.3 Research and Development Reports. Company shall keep complete and accurate records of its activities conducted under Sections 5.1 and 5.2, and the results thereof. Within [***] after the end of each calendar year until the First Commercial Sale in the United States of a Product, Company shall prepare and provide Halozyme with a reasonably detailed written report of the activities conducted under this Agreement for every Product and the results thereof, through such date of such report, to develop and obtain Regulatory Approvals to market Products.

5.4 Trademarks.

5.4.1 To the extent allowed under applicable law, Company, its sublicensee or their respective Affiliates shall have the right to determine the names and trademarks to use in connection with the promotion, marketing and sale of Products, and shall own and maintain such trademarks for use in connection with the promotion, marketing and sale of Products, other than the Licensed Marks which shall at all times remain owned by Halozyme or its Affiliates. Halozyme hereby grants Company the [***] right to use such Licensed Marks in connection with the promotion, marketing and sale of Products as secondary marks to indicate that the Product incorporates Halozyme technology. For clarity, nothing in this Agreement shall create an obligation on the Company to use the Licensed Marks in any way or on Halozyme to register or otherwise maintain in effect any Licensed Marks. Halozyme shall have the right to make reasonable use of Company's logo and Product logos on its website and ENHANZE marketing materials solely to indicate that the Product incorporates the PH20 Drug. To the extent the Company uses or displays any Licensed Mark on packaging or in other marketing or promotional materials in connection with the foregoing, Halozyme shall have the right to request samples of such packaging or other materials to confirm compliance with Halozyme's brand usage requirements to the extent provided in writing to Company, and shall have the right to request Company make modifications in order to comply with such requirements.

5.4.2 Except as otherwise set forth above, neither Party shall, and shall ensure that its Affiliates, sublicensees, and distributors do not (a) use any of the other Party's trademarks, or any mark or name confusingly similar thereto, as part of a corporate or business name or in any other manner, or (b) register any trade mark or trade name (including any company name) which is identical to or confusingly similar to or incorporates any trade mark or trade name which such other Party or any associated company owns or claims rights in. Any goodwill associated with any of a Party's names or marks affixed or applied or used in connection with Products shall inure to the sole benefit of such Party. Each Party will comply with applicable laws and the current trademark usage guidelines of a Party that may be provided from time to time by the other in connection with such other Party's trademarks. Further, neither Party will modify any such marks of the other Party, nor permit any act to be done which may impair a Party's rights in or value to its trademarks. Each Party shall, upon the reasonable request of the other Party, cooperate with the other in any action necessary or appropriate to register with the appropriate governmental agencies any Licensed Mark or Company marks for the Products, as applicable, and to protect any such mark proposed to be used.

6. REGULATORY MATTERS.

6.1 Notices. Company shall provide to Halozyme (a) advance written notice of material written communications regarding each Product (including providing copies of all filings with any Regulatory Authority) provided to a Regulatory Authority by Company; (b) a reasonable opportunity to comment on all such material written communications with respect to the PH20 Drug component of the Product prior to submission thereof taking into consideration any response deadline of the applicable Regulatory Authority (and Company shall discuss such comments with Halozyme and shall in good faith consider the reasonable comments of Halozyme with respect to the PH20 Drug component of the Product); and (c) copies of all material written communications (including all registrations and approvals) provided to Company from a Regulatory Authority regarding each Product (to be provided promptly (not to exceed [***]) following receipt thereof by Company). Company will provide a copy of the final written communications to the Regulatory Authorities to Halozyme. If any material regulatory communication will be oral or in-person, and the PH20 Drug component of a Product is scheduled to be discussed, then Company, to the extent practicable and allowed by the Regulatory Authority, will give Halozyme a reasonable opportunity to attend such oral or in-person meeting, but Halozyme will only participate with respect to the PH20 Drug component of the Product. If during any such material oral or in-person meeting that Halozyme is not attending and has not declined to attend, the PH20 Drug component of a Product arises, Company will reasonably request, as practicable, a postponement of such discussion until a Halozyme person can participate; *provided* that in no event will Company be required to postpone any discussions that would have a material effect on Company's interactions with such Regulatory Authority or Regulatory Approval of a Product.

6.2 Results. Company shall promptly, within [***], inform Halozyme in writing, in reasonably specific detail, of any material data, results or other information from a pre-clinical study or human clinical trial used (*e.g.*, registrational trial) for (a) a first registration of a Product, (b) label submission of new formulations of such Product in which either the concentration of Company Molecule or PH20 Drug is changed and (c) label extension of such Product outside the therapeutic area of such first registration. As for all other data or results (*e.g.*, non-pivotal or non-registrational data/results) whether from a preclinical study or human clinical

trial, Company shall inform Halozyme in writing of top line results within [***] of becoming aware of and finalizing such results. If Company is running a control arm in any such study or trial that involves the non-PH20 component of the Product, then Company shall also provide to Halozyme the material data, results and other information from such control arm. Company will provide to Halozyme the immunogenicity data generated on the PH20 Drug component of the Product in a format agreed upon by the Parties.

6.3 Clinical Trials. Prior to finalizing the instructional documents and protocol (or any revision thereto) for any clinical trial for a Product, (a) Company shall provide Halozyme with a copy of the reasonably complete draft of such instructional documents and protocol or revision; (b) Halozyme shall have a reasonable opportunity to review and comment on all such instructional documents and protocol or revision; (c) the Parties shall discuss Halozyme's comments relating to the PH20 Drug component of such Product; and (d) Company shall in good faith consider the reasonable comments of Halozyme relating to the PH20 Drug component of such Product. The Parties shall enter into a pharmacovigilance and safety data exchange agreement in a form acceptable to both Parties prior to the Initiation of the first clinical trial for a Product. The Parties shall conduct a joint safety review on a [***] basis, unless the Parties mutually agree in writing that a greater (or lesser) frequency is required. Such joint safety review may either be in person or by phone, as mutually agreed.

6.4 Adverse Event Reporting. The initial pharmacovigilance and safety data exchange agreement referred to in Section 6.3 entered into by the Parties shall include provisions covering, among other things, the following concepts:

6.4.1 that each Party would promptly notify the other Party of any information that comes to such Party's attention concerning any serious adverse event drug reactions or other significant safety concern that may lead to a change in the benefit-risk of the product associated with the clinical uses, studies, investigations, tests and marketing of PH20 Drug or a Product. The initial pharmacovigilance agreement would define "serious" in accordance with the standards contained in applicable laws, rules and regulations, as such laws, rules and regulations may be amended, modified or replaced and detail the timelines for notification; and

6.4.2 that each Party would as soon as possible notify the other Party of any information received regarding any threatened or pending action by an agency that may affect the safety and efficacy claims of a Product and that upon receipt of any such information, the Parties would consult with each other in an effort to arrive at a mutually acceptable procedure for taking appropriate action; *provided* that nothing contained in the pharmacovigilance and safety data exchange agreement will restrict either Party's right to make a timely report of such matter to any government agency or take other action that it deems to be appropriate or required by applicable law, rule, regulation or court order.

6.5 Labeling. To the extent Company's proposed labeling for a Product references the PH20 Drug component, prior to filing such proposed labeling with a Regulatory Authority, (a) Company shall provide Halozyme with a copy of the proposed labeling; (b) Halozyme shall have a reasonable opportunity (not less than [***]) to review, comment and consult on the PH20 Drug component of such proposed labeling; (c) the Parties shall discuss Halozyme's comments relating to the PH20 Drug component of such labeling; and (d) Company

shall in good faith consider the reasonable comments of Halozyme relating to the PH20 Drug component of such proposed labeling.

6.6 [***]

7. Clinical Supply of API.

7.1 Manufacture and Sale. On the terms and conditions of this Article 7, Halozyme shall manufacture (or have manufactured), sell and deliver to Company all API required by Company, its sublicensees and their respective Affiliates for use in the preclinical development and clinical development of the Products, and Company shall purchase exclusively from Halozyme all quantities of API required by Company, its sublicensees and their respective Affiliates for use in the preclinical and clinical development of the Products. Company shall not itself manufacture or purchase from any Third Party PH20 Drug or any derivative, part or polymorphism (including a splice variant) of PH20 Drug. Company shall (and shall procure that its sublicensees and their respective Affiliates shall) use such API supplied by Halozyme solely for the development, manufacture and commercialization of Products pursuant to this Agreement. [***]. Notwithstanding the foregoing, (i) regardless of whether Halozyme [***] provides the API under this Agreement, Company shall remain liable for [***], and (ii) if, [***] pursuant to this Section 7.1, Halozyme can demonstrate [***]. [***].

7.2 Manufacturing Practices.

7.2.1 Halozyme shall manufacture, or have manufactured, API under this Article 7 in conformity with the API Specifications and in accordance with all applicable laws and regulations. [***].

7.2.2 Unless the Parties otherwise mutually agree or except as otherwise contemplated by this Agreement, Halozyme shall manufacture, or have manufactured, API under this Article 7 in accordance with cGMP.

7.2.3 Company shall have the right, at its sole expense, to audit Halozyme for compliance with applicable laws and regulations and cGMP on reasonable notice during normal business hours and not more than once in each calendar year except in the case of a for-cause audit or an audit required by applicable law, subject to reasonable confidentiality obligations. In the event the audit takes place at a CMO, Halozyme has the right to be on site during the audit and act as an observer between Company and the CMO.

7.2.4 Halozyme shall provide Company with certificates of analysis for all API supplied hereunder.

7.2.5 Upon the reasonable request of Company following the release and shipment of any API supplied under Article 7, Halozyme shall provide Company with relevant corresponding information, including analytical and manufacturing documentation, batch records for API supplied hereunder and stability data, in each case, requested by Company regarding quality control of such API.

7.2.6 All information disclosed or obtained pursuant to this Article 7 shall be Confidential Information of Halozyme.

7.3 API Forecasts and Orders.

7.3.1 Prior to [***] (commencing with the first [***] in which Company, its sublicensees or their respective Affiliates order API from Halozyme hereunder), Company shall prepare and provide Halozyme with a written forecast of its good faith estimated requirements for API under this Section 7.3 for each of the subsequent [***].

7.3.2 Company shall be required to purchase [***] of the quantity forecasted for each API under this Section 7.3 for [***].

7.3.3 Halozyme will be required to maintain API capacity sufficient to enable Halozyme to deliver to Company [***] of the amounts of API set out in any binding forecast.

7.3.4 [***]. Halozyme shall use Commercially Reasonable Efforts to meet Company's delivery requirements specified in accordance with Section 7.3.5. [***].

7.3.5 Company shall make all purchases under this Section 7.3 by submitting firm purchase orders to Halozyme. Each such purchase order shall be in writing in a form reasonably acceptable to Halozyme, and shall specify the quantity of API ordered, the place of delivery and the required delivery date therefor, which shall not be less than [***] after the date of such purchase order, and the API price (in accordance with Section 7.5). No additional terms of any such purchase order shall be binding on Halozyme unless expressly agreed to by the Parties in writing, as an amendment to this Agreement. In the event of a conflict between the terms and conditions of any purchase order and this Agreement, the terms and conditions of this Agreement shall prevail.

7.4 Delivery and Acceptance.

7.4.1 All API supplied under this Agreement shall be shipped EXW (Incoterms 2020) place of manufacture or distribution to such location as designated by Company. Any change in the location of manufacture or distribution shall require the consent of Company, such consent not to be unreasonably withheld or delayed. Title and risk of loss and damages to the API purchased by Company hereunder shall pass to Company upon receipt by the Company's carrier.

7.4.2 Company shall pay all freight, insurance charges, taxes, import and export duties, inspection fees, shipping validation and other charges applicable to the sale and transport of API purchased by Company under Section 7.3.5.

7.4.3 If a shipment of API or any portion thereof is not in conformance with the API Specifications when received by Company, then Company shall have the right to reject such shipment of API if the entire shipment is nonconforming, or the portion thereof that fails to so conform, as the case may be. Company shall give written notice to Halozyme of its rejection hereunder, within [***] after Company's receipt of such shipment, specifying the

grounds for such rejection. If Company does not provide written notice of rejection during such [***], then the API shall be deemed accepted at the end of such [***] period. Notwithstanding the above, if the nonconformity of the API could not reasonably have been ascertained by Company upon reasonable inspection and analysis of the API, then the [***] period referred to herein shall not apply, *provided* that Company notifies Halozyme promptly upon discovery of such nonconformity (but in no event later than [***] from the date of the discovery). Halozyme shall use [***] to cure such rejection or replace such nonconforming shipment of API, or portion thereof, within [***] after receipt of notice of rejection thereof.

7.4.4 Company's grounds for rejection shall be conclusive unless Halozyme notifies Company within [***] of receipt by Halozyme of the notice of rejection that it disagrees with such grounds. In the event of such a notice by Halozyme, representative samples of the batch of API in question shall be submitted to a mutually acceptable independent laboratory or consultant (if not a laboratory analysis issue) for analysis or review, the costs of which shall be paid by the Party that is determined by the independent laboratory or consultant to have been incorrect in its determination of whether the applicable API should be rejected.

7.5 API Price. Halozyme will provide Company with quantities of API reasonably necessary for pre-clinical and clinical development, and Company will pay Halozyme a price equal to [***]. Halozyme shall invoice Company for all API upon shipment in accordance with this Article 7, and Company shall pay each such invoices within [***].

7.6 LIMITATION OF LIABILITY. HALOZYME'S LIABILITY TO COMPANY, AND COMPANY'S REMEDY, FOR ANY FAILURE OF THE WARRANTIES SET FORTH IN SECTION 7.7 SHALL BE, AT HALOZYME'S OPTION, [***]. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 7.6 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER ARTICLE 10.

7.7 Warranty. Halozyme warrants that, upon delivery, all API shall conform with the API Specifications and the certificate of analysis, shall be free from defects in manufacturing, handling, material and workmanship, and shall be manufactured in accordance with cGMP (unless the Parties otherwise mutually agree) and in compliance with applicable laws and regulations. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, HALOZYME MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO API. HALOZYME DISCLAIMS ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 7.7 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER ARTICLE 10.

7.8 Quality Agreement. The Parties agree to negotiate and enter into a mutually acceptable quality agreement relating to the supply of API hereunder within [***] after the Effective Date.

7.9 Consistency of Administration. Products developed under this Agreement shall be labeled for administration or infusion of the PH20 Drug component in such a manner so as to promote reasonably consistent use of Halozyme's PH20 hyaluronidase, [***], taking into account the need of administration for the target patient population, such labeling to be approved by Halozyme [***].

7.10 Commercial API Supply. Unless and until the Parties have entered into a supply agreement, the terms of this Article 7 shall apply to [***]. The Parties will negotiate in good faith and use Commercially Reasonable Efforts to enter into a separate supply agreement [***] prior to the anticipated commercial launch of the Product, which such supply agreement will govern commercial supply of API required by Company for the Products (and, if agreed by the Parties, further pre-clinical and clinical supply) and will be consistent with this Agreement [***]. Notwithstanding that the terms of the supply agreement will be negotiated and agreed upon following the Effective Date of this Agreement, the Parties hereby agree that [***].

8. INTELLECTUAL PROPERTY RIGHTS.

8.1 Ownership of Intellectual Property. As between the Parties, each Party shall solely own or retain ownership of all intellectual property (including all Know-How Rights and Patent Rights) that such Party or its Affiliates: (a) Controls as of the Effective Date; or (b) discovers, creates or acquires, and Controls, during the Term outside the scope of the Agreement; and (c) except as set forth below in this Section 8.1, all improvements to any of the foregoing (collectively, with respect to each Party, such Party's "Background IP"). With respect to Collaboration Inventions, the Parties hereby agree the following (to the extent not so provided under applicable law):

8.1.1 Company shall solely own [***];

8.1.2 Halozyme shall solely own [***]; and

8.1.3 Company and Halozyme shall jointly own [***].

8.1.4 [***]

8.1.5 Each Party shall take measures, [***], necessary for implementation of the ownership as stipulated in Sections 8.1.1 to 8.1.4, including [***].

8.1.6 [***]

8.2 Disclosure. Either Party shall promptly notify the other Party in writing of any Collaboration Inventions made, conceived or reduced to practice by or on behalf of such Party or its Affiliates.

8.3 Assignment. Each Party shall, and does hereby, assign, and shall cause its Affiliates and its and their licensees and sublicensees to assign, to the other Party, without additional compensation, such right, title, and interest in and to any Know-How Rights and proprietary intellectual property rights with respect thereto (including all rights of action and claims for damages and benefits arising due to past and present infringement of such rights) as is necessary to

fully effect, as applicable, the provisions of Section 8.1 and the ownership of Collaboration Inventions and intellectual property set forth therein. [***].

8.4 Prosecution, Maintenance and Enforcement.

8.4.1 Halozyme Prosecuted Patents.

(a) Prosecution. Halozyme shall have the exclusive right (but not the obligation), at its sole expense, to prepare, file, prosecute and maintain: [***].

(b) Enforcement. Halozyme shall have the exclusive right, at its sole expense, to enforce the Halozyme Prosecuted Patents against Third Party infringers or challengers for any infringement. With respect to any action to enforce the Halozyme Prosecuted Patents to abate any infringement by a Third Party, all monies recovered upon the final judgment or settlement of any such action shall be retained by Halozyme.

8.4.2 Company Solely-Owned Patents. Company shall have the exclusive right (but not the obligation), at its sole expense, to prepare, file, prosecute, maintain and enforce [***].

8.4.3 [***]

(a) Prosecution. Company shall have the first right (but not the obligation), at its sole expense, to prepare, file, prosecute, and maintain all [***].

(b) Prosecution Step-In Rights. If Company elects not to file any patent application included in [***] in any country (whether or not a foreign equivalent of a patent or patent application in [***] in existence at the relevant time, and including any patent application that Halozyme, in its sole discretion, reasonably determines is included in [***] and should be filed), or decides to abandon any such pending application or issued patent in any country (or otherwise not pursue further prosecution and maintenance of any Patent Rights that would Cover a [***]), then Company shall provide sufficient written notice to Halozyme prior to the next action deadline for such patent application. Halozyme shall have the right at its sole expense to assume control of the preparation, filing, prosecution and maintenance of such patent application or patent at its own expense. Company agrees to sign such further documents and take such further actions as may be requested by Halozyme to give Halozyme authority to assume and control the foregoing preparation, filing, prosecution and maintenance. Halozyme shall give Company an opportunity to review and comment on the text of all correspondence received from and submitted to any patent office within [***] following receipt or prior to submission, as applicable. Halozyme shall consider in good faith the interests of Company in the prosecution of [***].

(c) Enforcement. Company shall have the first right (but not the obligation) to enforce [***] against Third Party infringers or challengers for any actual or alleged infringement at Company's sole cost and expense using counsel of its choice. Halozyme agrees to sign such further documents and take such further actions as may be requested by Company to give Company authority to assume and control the foregoing enforcement. Company shall keep Halozyme fully informed of all developments in any such enforcement action and shall consult with Halozyme on strategy and key decisions with respect to such enforcement. Company shall

have the final decision-making authority with respect to the foregoing and to settle the dispute in relation to such enforcement; *provided* that such final decisions and settlement do not diminish the ownership rights or interests of Halozyme or admit the invalidity or unenforceability of [***] without the prior written consent of Halozyme, such consent shall not be unreasonably withheld.

(d) Enforcement Step-In Rights. If Company fails to abate such infringement of the [***] or to file an action to abate such infringement within [***] after a written request from Halozyme to do so (or any shorter period necessary to take advantage of any legal deadlines needed to secure enhanced relief), or if Company discontinues the prosecution of any such action after filing without abating such infringement, then Halozyme shall have the right to enforce the [***] against such Third Party infringer or challenger at Halozyme's sole cost and expense. Company agrees to sign such further documents and take such further actions as may be requested by Halozyme to give Halozyme authority to assume and control the foregoing enforcement. Halozyme shall keep Company fully informed of all developments in any such enforcement action and Halozyme shall consult with Company on strategy and key decisions with respect to such enforcement. Halozyme shall have the final decision-making authority with respect to the foregoing and to settle the dispute in relation to such enforcement; *provided* that such final decisions and settlement do not diminish the ownership rights or interests of Company or admit the invalidity or unenforceability of [***] without the prior written consent of Company, such consent not to be unreasonably withheld.

(e) Recovered Monies. With respect to any action to enforce [***] to abate any infringement by a Third Party, all monies recovered upon the final judgment or settlement of any such action shall (i) first, be used to reimburse the costs and expenses (including reasonable attorneys' fees and costs) [***]; and (ii) second, (A) with respect to actions involving infringement of [***] by a Third Party product that is [***], the remaining recoveries shall be allocated [***] to Company and [***] to Halozyme, and (B) with respect to all other actions, the remaining recoveries shall be shared equally between the Parties.

8.4.4 Cooperation. If one Party brings any suit, action or proceeding in accordance with Section 8.4.3 (such Party, the "Enforcing Party"), the other Party (the "Non-Enforcing Party") agrees to be joined as Party plaintiff, in each case if and only if required for the Enforcing Party to bring any such suit, action or proceeding. The Non-Enforcing Party will provide reasonable assistance to the Enforcing Party, including by providing access to relevant documents and other evidence and making its employees available. The Enforcing Party shall not enter into any settlement or compromise of any suit, action or proceeding: (a) in a manner that would diminish the ownership rights or interests of the Non-Enforcing Party or admit the invalidity or unenforceability of any Patent Right Controlled by the Non-Enforcing Party without the written consent of the Non-Enforcing Party, which shall not be unreasonably withheld; or (b) that would impose any cost or liability on the Non-Enforcing Party, without the Non-Enforcing Party's prior written consent (which consent may be withheld at the Non-Enforcing Party's discretion).

8.5 Defense of Third Party Infringement Actions.

8.5.1 Notice. If any Product used or sold by Company, its Affiliates, or sublicensees becomes the subject of a Third Party's claim or assertion of infringement of any

Patent Rights granted in the Territory, the Party first having notice of the claim or assertion shall promptly notify the other Party, the Parties shall [***].

8.5.2 Defense Rights. If a Third Party files an infringement suit alleging that the development, manufacture, production, use, importation, offer for sale, or sale of Products in the Territory infringes any Patent Rights, then [***].

9. CONFIDENTIALITY.

9.1 Confidentiality. With respect to any Confidential Information disclosed by a Party (the "Disclosing Party") to the other Party (the "Receiving Party") hereunder, the Receiving Party shall, and shall ensure that any of its Affiliates and Third Parties authorized to have such information, maintain in confidence the Confidential Information of the Disclosing Party and use the Disclosing Party's Confidential Information for the sole and limited purpose of fulfilling its obligations under this Agreement. During the term of this Agreement and for a period that is the longer of: (i) [***] following the expiration or earlier termination of this Agreement, and (ii) in the case of Confidential Information that is a trade secret, until such Confidential Information ceases to be a trade secret. To the extent that disclosure to any person is authorized by this Agreement (*e.g.*, an Affiliate, a sublicensee, etc.) and such person has a need to know it, prior to disclosure, a Party shall obtain written agreement of such person to hold in confidence and not disclose, use or grant the use of the Confidential Information of the other Party except as expressly permitted under this Agreement, together with other relevant terms limiting disclosure that are no less restrictive than those in this Agreement regarding disclosure and use of Confidential Information. Each Party shall notify the other Party promptly upon discovery of any unauthorized use or disclosure of the other Party's Confidential Information. A Disclosing Party's Confidential Information is owned by such Party, and subject to Article 3 of this Agreement, no license or other rights to the Disclosing Party's Confidential Information are granted or implied hereby. Notwithstanding Article 12, the Parties agree that a breach of any of the obligations in this Article 9 may result in irreparable and continuing damage to the Disclosing Party for which there is no adequate remedy at law, and the Disclosing Party may therefore seek injunctive relief and/or a decree of specific performance, in addition to such other legal and/or equitable remedies as may be available.

9.2 Permitted Disclosures. Notwithstanding the obligations of confidentiality and non-use set forth in Section 9.1 above, a Receiving Party may provide Confidential Information disclosed to it and disclose the existence and terms and conditions of this Agreement, in each case, to the extent such disclosure is:

9.2.1 to its Affiliates, sublicensees (as permitted under this Agreement), subcontractors, consultants, and their employees, directors, agents, consultants, or advisors, in each case, to the extent necessary for the potential or actual performance of its obligations or exercise of its rights under this Agreement, in each case, who are under an obligation of confidentiality with respect to such information that is no less stringent than the terms and conditions of this Article 9; *provided* that the foregoing shall in no way be deemed to limit or supersede the obligations to implement and enforce Firewalls where required under this Agreement;

9.2.2 to the Regulatory Authorities in connection with any filing, application or request for Regulatory Approval in accordance with the terms of this Agreement; *provided* that reasonable measures shall be taken to assure confidential treatment of such Confidential Information to the extent practicable and consistent with applicable law;

9.2.3 made in connection with the prosecution or maintenance of [***] in an effort to secure, maintain, defend or enforce Patent Rights, as contemplated by this Agreement, or, with respect to such activities only, otherwise with the prior written consent of the Disclosing Party's intellectual property counsel;

9.2.4 to bring or defend litigation and to enforce Patent Rights in connection with the Receiving Party's rights and obligations pursuant to this Agreement;

9.2.5 subject to the last paragraph of this Section 9.2, required to be disclosed by applicable law, including by the rules or regulations of the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States or of any stock exchange or listing entity; and

9.2.6 (a) with respect to the terms and conditions of this Agreement, any *bona fide* [***], and (b) with respect to any other Confidential Information of the other Party, any *bona fide* [***], *provided* that any entity or individual receiving Confidential Information under clause (a) or (b) has a need to know such information and is under obligations of confidentiality and non-use with respect to such information that are no less stringent than the terms and conditions of this Article 9 (but of duration customary in confidentiality agreements entered into for a similar purpose).

If a Party, after consultation with counsel, determines it is required by law to disclose Confidential Information of the other Party that is subject to the confidentiality or non-disclosure provisions of Section 9.1, then such Party will promptly inform the other Party of the disclosure that is being sought (and to the extent possible at least [***] notice) in order to provide the other Party an opportunity to challenge or limit the disclosure and will reasonably cooperate with the other Party to do so. In the event that no such protective order or other remedy is obtained, or the Disclosing Party waives compliance with certain terms of this Article 9, then the Receiving Party will furnish only that portion of Confidential Information that the Receiving Party is advised by counsel is legally required to be disclosed. Notwithstanding Section 9.1, Confidential Information that is permitted or required to be disclosed will remain otherwise subject to the confidentiality and non-use provisions of this Article 9. If either Party concludes based on the reasonable opinion of counsel that a copy of this Agreement must be filed with the United States Securities and Exchange Commission or similar regulatory agency in a country other than the United States, such Party will, within a reasonable time prior to any such filing (and to the extent possible at least [***] prior to any such filing), provide the other Party with a copy of this Agreement showing any provisions hereof as to which the Party proposes to request confidential treatment, will provide the other Party with an opportunity to comment on any such proposed redactions and to suggest additional redactions, and will take such Party's reasonable comments into consideration (and shall not unreasonably object to any such redactions) before filing such copy of this Agreement and use reasonable efforts to have

terms identified by such other Party afforded confidential treatment by the applicable regulatory agency.

9.2.7 Notwithstanding the foregoing, in no event shall Company disclose, or authorize the disclosure of, any Confidential Information of Halozyme or its Affiliates, or this Agreement or any terms contained herein, to [***], without the prior written consent of Halozyme.

9.3 Publications.

9.3.1 Prior to the Regulatory Approval Date, either Party may publish the results of its research and/or development under this Agreement in order to obtain recognition within the scientific community and to advance the state of scientific knowledge, and such publication shall be subject to the following procedures. If a Party desires to make any such publication (including any oral disclosure made without obligation of confidentiality), such Party shall provide the other Party with a copy of the proposed written publication at least [***] prior to submission for publication, or an outline of such oral disclosure at least [***] prior to presentation. At the reasonable request of the other Party, the publishing Party shall remove any Confidential Information of the other Party therefrom. The other Party additionally shall have the right (a) to propose modifications to the publication for intellectual property reasons, (b) to request a reasonable delay in publication in order to protect patentable information, and (c) propose alternative wording for scientific or clinical clarification. If the other Party requests such a delay, the publishing Party shall delay submission or presentation of the publication and shall not proceed with the written publication or the presentation without the prior written consent of the other Party, such consent not to be unreasonably withheld.

9.3.2 After the Regulatory Approval Date, Company may publish the results of its research and/or development under this Agreement in order to obtain recognition within the scientific community and to advance the state of scientific knowledge, and such publication shall be subject to the following procedures. If Company desires to make any such publication (including any oral disclosure made without obligation of confidentiality), Company shall provide Halozyme with a copy of the proposed written publication at least [***] prior to submission to a journal, or an outline of such oral disclosure at least [***] prior to presentation. At the reasonable request of Halozyme, Company shall remove any Confidential Information of Halozyme therefrom. Halozyme additionally shall have the right (a) to propose modifications to the publication for patent reasons, and (b) to request a reasonable delay in publication in order to protect patentable information, which request Company will consider in good faith. If Halozyme requests such a delay, Company shall delay submission or presentation of the publication for a period of up to [***] to enable Halozyme to prepare and file applicable patent applications. Upon the expiration of such [***] period, subject to the requirement to remove any Confidential Information of Halozyme, Company shall be free to proceed with the written publication or the presentation, respectively, unless Halozyme has requested the delay described above.

9.3.3 Halozyme shall not publish any studies, clinical trials or results thereof regarding [***] and only then with the prior written consent of Company. Company shall not publish any studies, clinical trials or results thereof regarding [***]. Notwithstanding any of the foregoing, the Parties agree and acknowledge that any data, information or analyses already in the public domain can be used by either Party.

9.4 Clinical Trial Registry. Company, as necessary to comply with ClinicalTrials.gov or equivalent Regulatory Authority policies and procedures, shall have the right to publish all studies, clinical trials and results thereof regarding Product (but not PH20 Drug alone) on the clinical trial registries which are maintained by or on behalf of Company subject to Company's compliance with Section 9.4 with respect to any proposed publication. Company shall notify Halozyme at least [***] in advance of a ClinicalTrials.gov or equivalent posting or change.

9.5 Public Announcements. On or after the Effective Date, the Parties will issue separate press releases regarding the signing of this Agreement, the form and substance of which shall be agreed to in writing by the Parties. Except (a) as set forth in the preceding sentence and (b) with respect to Company's reporting obligations under applicable law, rule or regulation or the rules of a stock exchange on which the securities of Company are listed, neither Party shall issue any other public announcement, press release, or other public disclosure regarding this Agreement or its subject matter without the other Party's prior written consent, except in accordance with Section 9.2.

10. INDEMNIFICATION AND INSURANCE.

10.1 By Company. Company shall indemnify and hold harmless Halozyme, its Affiliates, and their respective directors, officers, employees and agents (collectively, the "Halozyme Indemnitees"), from and against all losses, liabilities, damages and expenses, including reasonable attorneys' fees and costs (collectively, "Liabilities"), resulting from any claims, demands, actions or other proceedings by any Third Party to the extent resulting from (a) the breach of any representation, warranty, covenant, or other obligation, by Company under this Agreement; (b) the use by Company, its sublicensees or their respective Affiliates of the Licensed IP Rights beyond the scope of the licenses granted herein; or (c) the manufacture, use, sale, marketing, handling or storage of Products by Company, its sublicensees or their respective Affiliates, customers or end-users, including any personal injury, death or illness; all of the foregoing except in the event and to the extent any Liability arises out of or results from (i) the negligence or willful misconduct of Halozyme or its Affiliates or (ii) matters within Halozyme's indemnification obligations under Section 10.2.

10.2 By Halozyme. Halozyme shall indemnify and hold harmless Company, its Affiliates, and their respective directors, officers, employees and agents (collectively, the "Company Indemnitees"), from and against all Liabilities resulting from any claims, demands, actions or other proceedings by any Third Party to the extent resulting from (a) the breach of any representation, warranty, covenant, or other obligation by Halozyme under this Agreement; (b) the manufacture, use, sale, handling or storage of API by Halozyme (including any failure of API to conform to the product warranties set forth in Section 7.7); or (c) any allegation that Company's use of the Licensed Marks in accordance with this Agreement infringes or violates the trademark rights of any Third Party; all of the foregoing except in the event and to the extent any Liability arises out of or results from (i) the negligence or willful misconduct of Company, its sublicensees or their respective Affiliates, or (ii) matters within Company's indemnification obligations under Section 10.1.

10.3 Procedure. If a Party (the "Indemnitee") intends to claim indemnification under this Article 10, it shall promptly notify the other Party (the "Indemnitor") in writing of any

claim, demand, action or other proceeding for which the Indemnitee intends to claim such indemnification, and the Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, to assume the defense thereof with counsel mutually satisfactory to the Parties; *provided*, however, that an Indemnitee shall have the right to retain its own counsel, with the fees and expenses to be paid by the Indemnitor, if representation of such Indemnitee by the counsel retained by the Indemnitor would be inappropriate due to actual or potential differing interests between the Indemnitee and any other Party represented by such counsel in such proceeding. The obligations of this Article 10 shall not apply to amounts paid in settlement of any claim, demand, action or other proceeding if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld or delayed unreasonably. The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve the Indemnitor of any obligation to the Indemnitee under this Article 10. The Indemnitee, its employees and agents, shall reasonably cooperate with the Indemnitor and its legal representatives in the investigation of any claim, demand, action or other proceeding covered by this Article 10.

10.4 Insurance. Each Party shall maintain insurance, including Commercial General Liability, Product Liability and, for clinical trials it sponsors, Clinical Trials Liability insurance and Workers Compensation and Employer's Liability insurance, with respect to its activities under this Agreement regarding Products in such amount as such Party customarily maintains with respect to similar activities for its other products, but not less than the greater of (i) [***] each occurrence and aggregate for Commercial General Liability, Product Liability, and Clinical Trials Liability insurance in amounts compliant with local insurance regulations and [***] limit per accident /disease and a [***] disease policy limit Workers Compensation and Employer's Liability or (ii) such amount as is reasonable and customary in the industry. Each Party shall maintain such insurance for so long as it continues its activities under this Agreement, and thereafter for [***]. Upon written request, each Party shall provide the other Party with written evidence of the required coverage. Each Party shall provide the other Party [***] notice of any material change, cancellation or non-renewal of any required insurance under this Agreement. In the event of a material change, cancellation, or non-renewal in coverage, each Party shall replace such coverage to comply with this Agreement so that there is no lapse of coverage for any time period.

11. TERM AND TERMINATION.

11.1 Term. This Agreement shall commence on the Effective Date and, unless earlier terminated pursuant to this Section 11, shall continue until the expiration of the last Royalty Term in the Territory for such Product (the "Term").

11.2 Termination for Material Breach. If a Party believes that the other Party has materially breached this Agreement, the non-breaching Party may deliver written notice of such material breach to the other Party. If the breach is curable, the breaching Party will have [***] following its receipt of such written notice to cure such breach. If the breaching Party fails to cure such material breach within such [***] period or the breach is not subject to cure, then the non-breaching Party shall have the right to terminate this Agreement by providing written notice to the breaching Party, in which case, this Agreement will terminate on the date on which the breaching Party receives such written notice. Notwithstanding the foregoing, in the event that the allegedly

breaching Party disputes whether a material breach has occurred, or whether any such alleged material breach is cured, in each case, during the [***] cure period, then the allegedly breach Party will promptly refer such matter for resolution in accordance with the expedited dispute resolution process set forth in Section 12.2, the cure period will be tolled, and this Agreement will not be terminated as a result of such alleged breach, during the pendency of such dispute.

11.3 Termination for Convenience. Company may terminate this Agreement for convenience by providing Halozyme with [***] advance written notice of termination. In the event of such termination by Company, Company and its Affiliates will not, directly or indirectly, and will not license, engage, or otherwise authorize any Third Party to on its or their behalf, develop, manufacture, commercialize, or otherwise exploit [***] for a period of [***] following the date of termination.

11.4 Halozyme Termination Right. Halozyme may terminate this Agreement upon notice to Company in the event of [***].

11.5 Effect of Expiration or Termination.

11.5.1 Expiration or termination of this Agreement shall be without prejudice to any rights that have accrued to the benefit of a Party prior to such expiration or termination. Upon termination of this Agreement, all licenses granted by either Party hereunder (and any sublicenses to any Affiliate or Third Party) shall terminate automatically as of the termination effective date; *provided* that (a) in the event of any termination by Halozyme, Company and its Affiliates will not, directly or indirectly, and will not license, engage, or otherwise authorize any Third Party to on its or their behalf, [***] and (b) [***]. Upon expiration (but not termination) of the Agreement in all countries in the Territory, [***]. Without limiting the foregoing, Sections 1, 4.2 (as to payment obligations that have accrued prior to the effective date of expiration or termination of this Agreement, or pursuant to Section 11.5.2), 4.3 (as to payment obligations that have accrued prior to the effective date of expiration or termination of this Agreement, or pursuant to Section 11.5.2), 4.4, 4.6 (for a period of [***] after expiration or termination of this Agreement), 4.7 and 4.8 (each, as to payment obligations that have accrued prior to the effective date of expiration or termination of this Agreement, or pursuant to Section 11.5.2), 6.1, 6.4, 7.6, 7.7, 8, 9 (for the applicable period included in clauses (i) and (ii) of Section 9.1), 10.1, 10.2, 10.3, 11.3 (with respect to the second sentence therein), 11.5, 11.6, and 12 shall survive any expiration or termination of this Agreement. The Parties acknowledge that the past, present and future exchange of valuable assets and support (including intellectual property (such as Know-How Rights), Confidential Information (and ongoing protection thereof), supply of API, facilitation of Product development, and the like) provide consideration sufficient to support the rights and obligations under the Agreement, including any surviving obligations of the Parties set forth in this Section 11.5.1.

11.5.2 Following termination of this Agreement [***], Company and its Affiliates and sublicensees will have the right to continue to sell off their existing inventories of Products for a period not to exceed [***] after the effective date of such termination, *provided* that [***].

11.5.3 Except as otherwise expressly set forth in this Agreement, promptly upon the expiration or earlier termination of this Agreement, each Party shall return to the other Party all tangible items regarding the Confidential Information of the other Party and all copies thereof and delete all electronic data and files provided under this Agreement and all copies thereof from such Party's computer systems and electronic data storage devices; *provided*, however, that each Party shall have the right to retain (i) any Confidential Information that such Party is required to retain by any applicable laws, rules and regulations including laws and regulations providing for a duty to preserve documents for a civil lawsuit may be retained in accordance with such laws, rules and regulations, (ii) digital backup files automatically generated by such Party's customary electronic data processing system may be retained and properly stored as confidential files for the sole purpose of backup and will be deleted in accordance with such Party's retention policy, and (iii) one (1) copy for its legal files for the sole purpose of determining its obligations hereunder.

11.6 Section 365(n) of the Bankruptcy Code.

11.6.1 All rights and licenses granted under or pursuant to any section of this Agreement are, and shall otherwise be deemed to be, for purposes of Section 365(n) of Title 11 of the United States Bankruptcy Code, licenses of rights to "intellectual property" as defined under the U.S. Bankruptcy Code. Upon the filing or institution of bankruptcy, reorganization, liquidation, or receivership proceedings, upon the appointment of a receiver or trustee over all or substantially all property, or upon an assignment of a substantial portion of the assets for the benefit of creditors by Halozyme, Halozyme agrees that Company, as licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code. Each Party acknowledges and agrees that "embodiments" of intellectual property within the meaning of Section 365(n) include laboratory notebooks, product samples and inventory, research studies and data, all Regulatory Approvals (and all applications for Regulatory Approval) and rights of reference therein, the Licensed IP Rights, results, and all information related to the Licensed IP Rights. If (i) a case under the U.S. Bankruptcy Code is commenced by or against Halozyme, (ii) this Agreement is rejected as provided in the U.S. Bankruptcy Code, and (iii) Company elects to retain its rights hereunder as provided in Section 365(n) of the U.S. Bankruptcy Code (which, for avoidance of doubt, shall be as such rights existed immediately before the commencement of such case, and solely for the duration of the Term), then Halozyme (in any capacity, including debtor-in-possession) and its successors and assigns (including a trustee) will, upon written request of Company:

(a) provide Company with a copy of all such intellectual property (including all embodiments thereof, to the extent protected by applicable non-bankruptcy law) held by Halozyme and such successors and assigns to the extent included in or comprising the Licensed IP Rights, immediately upon Company's written request; and

(b) not interfere with Company's rights under this Agreement, or any agreement supplemental hereto, to such intellectual property (including such embodiments), including any right to obtain such intellectual property (or such embodiments) from another entity, to the extent provided in Section 365(n) of the U.S. Bankruptcy Code.

In such event, the royalty payments shall be deemed "royalties" as defined under Section 365(n) of the U.S. Bankruptcy Code.

11.6.2 All rights, powers, and remedies of Company provided in this Section 11.6 are in addition to and not in substitution for any other rights, powers, and remedies now or hereafter existing at law or in equity (including the U.S. Bankruptcy Code) in the event of the commencement of a case under the U.S. Bankruptcy Code with respect to Halozyme.

12. MISCELLANEOUS.

12.1 Governing Law; Escalation; Arbitration. This Agreement shall be governed in all respects by the laws of the State of New York, without regard to the conflicts of law principles thereof. The United Nations Convention of International Contracts on the Sale of Goods (the Vienna Convention) does not apply to this Agreement. If there is a dispute between the Parties under this Agreement that cannot be resolved by the alliance leaders, then the dispute shall be referred to a member of executive management to be designated by each Party for resolution. If the executives cannot resolve such matter within a period of [***] from the date on which such matter is referred to them, either Party may invoke the dispute resolution process herein. Except with respect to any action, suit or proceeding seeking specific performance or injunctive or interim, provisional or precautionary measures or other equitable relief or any matter expressly specified to be resolved in accordance with Section 12.2, each Party agrees that any controversy or claim in any way arising out of or relating to this Agreement shall be determined by a sole arbitrator in an arbitration administered by the International Centre for Dispute Resolution (hereinafter "ICDR" or the "Arbitration Center"), in accordance with its International Arbitration Rules in force at the time of the submission. The Parties grant special irrevocable power of attorney to the ICDR, so that, in accordance with the ICDR's standard list selection process, it may appoint the arbitrator from among the members of the arbitration body of the Arbitration Center that have experience adjudicating disputes relating to pharmacology and intellectual property licensing. In the event no members have such experience, then it may appoint the arbitrator from among the members of the arbitration body of the Arbitration Center that have experience adjudicating disputes relating to intellectual property licensing. Prior to the appointment of the arbitrator by the Arbitration Center, each Party may veto up to five (5) members of the arbitration corps of the Arbitration Center without cause. The arbitrator is specifically empowered to resolve any matter related to their competence and/or jurisdiction. The place of the arbitration shall be in [***]. For all legal purposes, the Parties agree [***] that the arbitration shall be governed by the laws of [***]. Judgment upon any award(s) rendered in such arbitration will be binding. The Parties hereto irrevocably submit to the exclusive jurisdiction of any federal or state court located within [***] for enforcement of or challenge to any such award(s) rendered by an arbitrator pursuant to this Section, and each Party hereby irrevocably agrees that all claims in respect of such dispute, any suit, action, or proceeding related thereto, or any other action, suit or proceeding seeking specific performance or injunctive or interim, provisional or precautionary measures or other equitable relief, may, in each case, be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue or any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. The arbitrator's award shall include a determination of the prevailing Party's reasonable legal fees and costs associated with any such arbitration to be reimbursed by the non-prevailing Party. To the extent any arbitration award is brought before a court for enforcement purposes, the Parties will waive trial by jury in any such proceeding. The Parties undertake to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other

documents produced by another Party in the proceedings not otherwise in the public domain, except and to the extent that disclosure may be required of a Party by applicable law or to enforce or challenge an award in legal proceedings before a court or other judicial authority, in which case the Party disclosing such information shall, to the extent permissible under applicable law, give the other Party reasonable advance notice of such disclosure and use reasonable efforts to secure confidential treatment of such information (whether through protective order or otherwise).

12.2 Expedited Arbitration. In the event of any dispute as to whether a material breach of this Agreement has occurred, the Parties will submit to an expedited binding arbitration to resolve the dispute, which will be determined by arbitration administered by ICDR in accordance with its International Expedited Procedures. The place of the expedited arbitration shall be in [***]. For all legal purposes, the Parties agree [***] that the arbitration shall be governed by the laws of [***]. The Parties grant special irrevocable power of attorney to the ICDR, so that, in accordance with the ICDR's standard list selection process, it may appoint the arbitrator from among the members of the arbitration body of the Arbitration Center that have sufficient experience adjudicating similar disputes relating to intellectual property licensing in connection with pharmaceutical and biologic products.

12.3 Waivers. The failure of any Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other Party.

12.4 Assignment. Neither this Agreement nor any right or obligation hereunder may be assigned or delegated, in whole or part, by either Party without the prior written consent of the other; except that either Party may assign this Agreement and its rights and obligations hereunder without the consent of the other Party, but with prompt notice of such assignment, to: (a) such Party's Affiliate(s) (except with respect to Third Parties that become an Acquirer pursuant to a Change of Control, which is solely addressed in the following subsection (b) below), *provided* that, as between the Parties, such Party shall remain primarily liable for any acts or omissions of such Affiliate; (b) the Acquirer in connection with a Change of Control, or otherwise under a transaction under which this Agreement is assumed, or the successor or acquiring party in connection with a sale of all or substantially all of the assets of such Party or to which this Agreement relates (in which case, such Party shall assign this Agreement to such successor or acquiring party in connection with such sale of assets). Notwithstanding the foregoing, in no event shall Company assign this Agreement or its rights or obligations hereunder, in whole or in part, to [***]. Any Acquirer or permitted assignee shall assume all obligations of its assignor under this Agreement, and Company shall cause such Acquirer or permitted assignee to agree in writing to such assumption and to be bound by, and fully perform, the terms and conditions of this Agreement. Any purported assignment in violation of this Section 12.4 shall be void.

12.5 Change of Control.

12.5.1 Company shall provide Halozyme written notice of any Change of Control of Company promptly, but no later than [***], following the first public announcement of such Change of Control, which notice shall describe in reasonable detail the nature of the transaction and the identity of the Acquirer. If as of the closing date of such Change of Control transaction such Acquirer is [***], then the following shall apply: (i) Company shall implement

or cause its Acquirer to [***], and (ii) Company shall continue to comply with its obligations under this Agreement in full force and effect, or shall cause such Acquirer to comply with such obligations (if applicable, to the extent Acquirer succeeds Company).

12.5.2 Halozyme shall have the right, through a designated Third Party auditor reasonably acceptable to Company, to audit Company's (and, as applicable, its Affiliates') Firewall obligations under this Agreement for purposes of confirming compliance with the Firewalls, identifying any vulnerabilities or breaches and requiring Company (or its Affiliates) to promptly remediate any non-compliance identified by such audit. In connection with such audit, duly authorized representatives of Halozyme's designated auditor may make an on-site visit to Company (or its Affiliate) for the purpose of conducting such audit. Halozyme may conduct such audits from time to time as reasonably necessary to confirm Company's compliance with such Firewall requirements no more than once per calendar year or more frequently if Halozyme reasonably believes at any time that Company is not in compliance with such Firewall requirements; *provided* that if the auditor identifies a breach of the Firewall, Halozyme will be entitled to an additional audit within the same year to verify that appropriate action has been taken to remedy the breach of the Firewall. If the auditor identifies any breach of the Firewall, Halozyme and/or the auditor will notify Company, and Company will promptly (and will use reasonable efforts to ensure its Affiliates promptly) take all action necessary to remedy such breach, and will provide Halozyme with reasonable assurance that such action has been taken, at Company's sole expense.

12.6 Independent Contractors. The relationship of the Parties hereto is that of independent contractors. The Parties hereto are not deemed to be agents, partners or joint venturers of the others for any purpose as a result of this Agreement or the transactions contemplated thereby.

12.7 Further Actions. Each Party shall execute, acknowledge and deliver such further documents and instruments and perform all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

12.8 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder must be in writing, and in English, and will be deemed given and effective only if: (a) delivered by hand or by overnight courier with tracking capabilities; (b) mailed postage prepaid by first class, registered, or certified mail; or (c) delivered by electronic mail followed by delivery via either of the methods set forth in clauses (a) and (b) of this Section (which such notice shall be deemed effective on the date of delivery of the electronic mail, provided the delivery of the additional notice via either of the methods set forth in clauses (a) and (b) of this Section occurs reasonably promptly following the electronic mail delivery), in each case, addressed as set forth below unless changed by notice so given:

If to Halozyme: Halozyme, Inc.
12390 El Camino Real
San Diego, California 92130
Attn: [***]
Email: [***]

If to Company: Acumen Pharmaceuticals, Inc.
427 Park St.
Charlottesville, VA 22902
Attn: [***]
Email: [***]

12.9 Force Majeure. Delay or, if delay is not appropriate under the circumstances, nonperformance a Party (in either case, other than for the payment of money) shall be excused to the extent that performance is rendered impossible by pandemic, strike, fire, earthquake, flood, governmental acts or orders or restrictions, acts of terrorism, failure of suppliers, or any other reason where failure to perform is beyond the reasonable control and not caused by the negligence, intentional conduct or misconduct of the nonperforming Party; *provided* that the nonperforming Party shall use Commercially Reasonable Efforts to resume performance as soon as reasonably practicable.

12.10 No Consequential Damages. IN NO EVENT SHALL A PARTY BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF THIS AGREEMENT OR THE EXERCISE OF ITS RIGHTS HEREUNDER, REGARDLESS OF ANY NOTICE OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS SECTION 12.10 WILL LIMIT OR RESTRICT, AND THE FOREGOING LIMITATIONS SHALL NOT APPLY TO, THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF EITHER PARTY UNDER ARTICLE 10 OR LIMIT EITHER PARTY'S LIABILITY FOR (A) A BREACH OF ARTICLE 9 (CONFIDENTIALITY) OR (B) FOR SUCH PARTY'S (OR ITS AFFILIATE'S) GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT.

12.11 Complete Agreement; Amendments. This Agreement, together with the Schedules and Exhibits hereto, constitute the entire agreement between the Parties regarding the subject matter hereof, and all prior representations, understandings and agreements regarding the subject matter hereof, either written or oral, expressed or implied, are superseded and shall be and of no effect. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No provision of this Agreement may be amended or modified other than by a written document signed by authorized representatives of each Party.

12.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and together shall be deemed to be one and the same agreement.

12.13 Interpretation. The headings to the several sections hereof are not a part of this Agreement, but are included merely for convenience of reference only and shall not affect its meaning or interpretation. Unless specified to the contrary, references to Sections, Schedules or Exhibit mean the particular Sections, Schedules or Exhibit to this Agreement and references to this Agreement include all Exhibit hereto. In the event of any conflict between the main body of this Agreement and any Exhibit hereto, the main body of this Agreement shall prevail. Unless context

otherwise clearly requires, whenever used in this Agreement: (a) the words "include" or "including" shall be construed as incorporating, also, "but not limited to" or "without limitation"; (b) the word "day" or "year" means a calendar day or year unless otherwise specified; (c) the word "notice" means notice in writing (whether or not specifically stated) and shall include notices, consents, approvals and other written communications contemplated under this Agreement; (d) the words "hereof," "herein," "hereby" and derivative or similar words refer to this Agreement as a whole and not merely to the particular provision in which such words appear; (e) the words "shall" and "will" have interchangeable meanings for purposes of this Agreement; (f) provisions that require that a Party, the Parties or a committee hereunder "agree," "consent" or "approve" or the like shall require that such agreement, consent or approval be specific and in writing, whether by written agreement, letter, approved minutes or otherwise; (g) words of any gender include the other gender; (h) words using the singular or plural also include the plural or singular, respectively; (i) references to any specific law, rule or regulation, or article, section or other division thereof, shall be deemed to include the then current amendments thereto or any replacement law, rule or regulation thereof; (j) references to "dollars", "$" or other references to currency shall mean U.S. Dollars, unless otherwise stated; and (k) neither Party shall be deemed to be acting on behalf of the other Party.

12.14 Severability. If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties shall in such an instance use reasonable efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties hereto have each caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

HALOZYME, INC.

By: /s/ Chris Wahl

Name: Chris Wahl

Title: CBO

ACUMEN PHARMACEUTICALS, INC.

By: /s/ Daniel O'Connell

Name: Daniel O'Connell

Title: CEO

SCHEDULE 1.5

API Specifications

[***]

SCHEDULE 5.2.3
Work Plan Term Sheet

[***]

SCHEDULE 7.10
Supply Agreement Term Sheet

[***]

EXHIBIT A

Licensed Patent Rights

[***]

EXHIBIT B

[***]

EXHIBIT C

Form of Royalty Report

[***]

Exhibit 10.15

LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "**Agreement**") dated as of November 10, 2023 (the "**Closing Date**") is entered into among **ACUMEN PHARMACEUTICALS, INC.**, a Delaware corporation ("**Borrower Representative**"), and each other Person party hereto as a borrower from time to time (collectively, "**Borrowers**", and each, a "**Borrower**"), and each other Person party hereto or any other Loan Documents as a guarantor from time to time (collectively, "**Guarantors**" and each, a "**Guarantor**", and together with Borrowers, collectively, "**Loan Parties**", and each, a "**Loan Party**"), **K2 HEALTHVENTURES LLC** as a lender, and the other lenders from time to time party hereto (collectively, "**Lenders**", and each, a "**Lender**"), **K2 HEALTHVENTURES LLC**, as administrative agent for Lenders (in such capacity, together with its successors and permitted assigns, "**Administrative Agent**"), and **ANKURA TRUST COMPANY, LLC**, as collateral trustee for Lenders (in such capacity, together with its successors and permitted assigns, "**Collateral Trustee**").

AGREEMENT

Borrower Representative, each Loan Party from time to time party hereto, Administrative Agent, Collateral Trustee and Lenders hereby agree as follows:

1. ACCOUNTING AND OTHER TERMS

Accounting terms not defined in this Agreement shall be construed in accordance with GAAP, and calculations and determinations shall be made following GAAP, consistently applied. Notwithstanding the foregoing, any obligations of a Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance by the Financial Accounting Standards Board on February 25, 2016 of an Accounting Standards Update (the "ASU") shall continue to be accounted for as operating leases for purposes of all financial definitions, calculations and covenants for purposes of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations in accordance with GAAP. Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth on Exhibit A. All other terms contained in this Agreement, unless otherwise indicated, shall have the meaning provided by the Code to the extent such terms are defined therein. As used in the Loan Documents, the word "shall" is mandatory, the word "may" is permissive, the word "or" is not exclusive, the words "includes" and "including" are not limiting, the singular includes the plural, and numbers denoting amounts that are set off in brackets are negative. Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a "Section," "subsection," "Exhibit," "Annex," or "Schedule" shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement. For purposes of the Loan Documents, whenever a representation or warranty is made to a Person's knowledge or awareness, knowledge or awareness means the actual knowledge, after reasonable investigation, of any Responsible Officer of such Person.

2. LOAN AND TERMS OF PAYMENT

2.1 Promise to Pay. Each Borrower hereby unconditionally promises to pay to Administrative Agent, for the ratable benefit of Lenders, the outstanding principal amount of all Loans, accrued and unpaid interest, fees and charges thereon and to pay all Obligations as and when due in accordance with this Agreement.

2.2 Availability and Repayment or Conversion of the Loans.

(a) Availability.

(i) Subject to the terms and conditions of this Agreement, each Lender agrees, severally and not jointly, to make to Borrowers an advance on the Closing Date in principal amount equal to its First Tranche Term Loan Commitment (the "**First Tranche Term Loan**"). Lenders' commitments to make the First Tranche Term Loan shall terminate upon the funding of the First Tranche Term Loan on the Closing Date.

(ii) Subject to satisfactory review by Administrative Agent of the Borrowers' development/commercial, financial and operating plan, approval by Lenders' investment committee, submission of a Loan Request, and the other terms and conditions of this Agreement, each Lender may, in its sole and absolute discretion, severally and not jointly, make to Borrowers advances during the Second Tranche Availability

Period in an aggregate principal amount up to its Second Tranche Term Loan Commitment (the "**Second Tranche Term Loans**", and together with the First Tranche Term Loan, collectively, the "**Term Loans**", and each, a "**Term Loan**"). Lenders' commitment to make the Second Tranche Term Loans shall terminate upon the earlier of (i) the end of the Second Tranche Availability Period, and (ii) the date that Second Tranche Term Loans in an aggregate amount equal to the aggregate amount of the Second Tranche Term Loan Commitments have been funded.

Borrowers shall use the proceeds of the Term Loans for working capital and other general corporate purposes. Once repaid, the Term Loans may not be reborrowed.

(b) Repayment. Commencing on the Amortization Date, and continuing thereafter on each Payment Date through the Term Loan Maturity Date, Borrowers shall make consecutive monthly payments of equal principal and interest, which would fully amortize the principal amount of the Term Loans and accrued interest thereon by the Term Loan Maturity Date, provided that if the Applicable Rate is adjusted or the Amortization Date or the Term Loan Maturity Date are extended, in each case, in accordance with its terms, the amortization schedule and the required monthly installment shall be recalculated based on the adjusted Applicable Rate and/or the adjusted number of Payment Dates through the Term Loan Maturity Date. Any and all unpaid Obligations, including outstanding principal and accrued and unpaid interest in respect of the Term Loans, the fees pursuant to the Fee Letter and any other fees and other sums due hereunder, if any, shall be due and payable in full on the Term Loan Maturity Date. The Term Loans may only be prepaid in accordance with Sections 2.2(c) or (d).

(c) Mandatory Prepayment Upon an Acceleration. If the Term Loans are accelerated following the occurrence and during the continuance of an Event of Default, Borrowers shall immediately pay to Administrative Agent, for the ratable benefit of Secured Parties, an amount equal to the sum of:

(i) all outstanding principal plus accrued and unpaid interest thereon, plus

(ii) all amounts then due in accordance with the Fee Letter, plus

(iii) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

(d) Permitted Prepayment of Term Loans. Borrowers shall have the option to prepay all or a portion of the Term Loans, provided (A) if Borrowers elect to prepay a portion of the Term Loans, any such prepayment shall be in an amount of at least Five Million Dollars ($5,000,000.00), and the outstanding Loans after such prepayment shall be in an amount equal to no less than Fifteen Million Dollars ($15,000,000.00) and (B) Borrowers shall provide written notice (the "**Prepayment Notice**") to Administrative Agent of its election to prepay the Term Loans at least thirty (30) days prior to such prepayment (or such shorter period as Administrative Agent may approve in writing in its sole discretion), and pay, on the date of such prepayment, to Administrative Agent for the ratable benefit of Secured Parties, an amount equal to the sum of:

(i) all outstanding principal plus accrued and unpaid interest thereon, plus

(ii) all amounts then due in accordance with the Fee Letter, plus

(iii) all other sums, if any, that shall have become due and payable, including interest at the Default Rate with respect to any past due amounts.

Notwithstanding the foregoing provisions of this Section 2.2(d), any Prepayment Notice may state that such prepayment is conditioned upon the effectiveness of a refinancing or any other transaction, in which case such Prepayment Notice may be revoked by Borrower on or prior to the specified effective date of such prepayment if such condition is not satisfied.

(e) Conversion at Lenders' Election.

(i) Conversion Election. Lenders may jointly elect at any time and from time to time after the Closing Date and prior to the payment in full of the Term Loans to convert any portion of the principal amount of the Term Loans then outstanding (the "**Conversion Amount**") into securities of the Class ("**Conversion Shares**") at the Conversion Price pursuant to a Conversion Election Notice, to be delivered at the

direction of Lenders by the Administrative Agent to Borrower Representative, provided that the aggregate principal amount converted to securities of the Class in accordance with this Section 2.2(e) shall not exceed Two Million Five Hundred Thousand Dollars ($2,500,000.00). A Conversion Election Notice, once delivered, shall be irrevocable unless otherwise agreed in writing by Borrower Representative. On the third trading day after a Conversion Election Notice has been duly delivered in accordance with the foregoing, Borrower Representative shall deliver to each Designated Holder a number of Conversion Shares equal to (x) the Conversion Amount indicated in the applicable Conversion Election Notice divided by (y) Conversion Price. For the avoidance of doubt, no premium or penalty shall apply to principal amounts converted pursuant to this Section 2.2(e) following delivery of the Prepayment Notice.

(ii) Reservation of Shares. Borrower Representative shall reserve from its duly authorized capital stock not less than the number of shares of Common Stock that may be issuable pursuant to this Section 2.2(e). Upon issuance of Conversion Shares pursuant to this Section 2.2(e), such shares shall be validly issued, fully paid and non-assessable and free from all preemptive or similar rights, taxes, liens and charges with respect to the issue thereof.

(iii) Rule 144. With a view to making available to Designated Holders the benefits of Rule 144 (or its successor rule) and any other rule or regulation of the Securities and Exchange Commission (the "**SEC**") that may at any time permit Designated Holders to sell shares of Common Stock issued pursuant to a Conversion Election Notice to the public without registration, Borrower Representative covenants and agrees to: (i) make and keep public information available, as those terms are understood and defined in Rule 144, until six (6) months after such date as all of Conversion Shares issued may be sold without restriction by Designated Holders pursuant to Rule 144 or any other rule of similar effect; (ii) file with the SEC in a timely manner (or obtain extensions in respect thereof and file within the applicable grace period) all reports and other documents required of Borrower Representative under the Exchange Act; and (iii) furnish to Designated Holders, upon request, as long as Designated Holders own any shares of Common Stock issued pursuant to a Conversion Election Notice, such information as may be reasonably requested in order to avail Designated Holders of any rule or regulation of the SEC that permits the selling of any Conversion Shares issued without registration.

(iv) Registration Rights. In connection with the option to convert in accordance with this Section 2.2(e), Borrower Representative hereby agrees that each Designated Holder shall be deemed to be a "Holder" (as defined in the Company's Amended and Restated Investors' Rights Agreement dated November 20, 2020 as amended, restated, supplemented or otherwise modified from time to time (the "**IRA**")) and shall have the piggyback registration rights with respect to the shares of Common Stock issued and issuable under this Section 2.2(e) pursuant to Section 2 of the IRA, on a *pari passu* basis with the other Holders (as defined therein).

(v) Authorization. For so long as Designated Holders hold any shares of Common Stock and/or other securities of the Class convertible into or exercisable for shares of Common Stock that are issued pursuant to this Section 2.2(e), Borrower Representative shall maintain the Common Stock's authorization for listing on the Nasdaq Global Select Market (or on another national securities exchange) and Borrower Representative shall not take any action which could reasonably be expected to result in the delisting or suspension of the Common Stock on such national securities exchange on which the Common Stock is listed.

(vi) Limitations on Conversion.

(1) Beneficial Ownership. Notwithstanding anything herein to the contrary, Borrower Representative shall not issue a number of Conversion Shares pursuant to this Section 2.2(e) to the extent that, upon such issuance, the number of shares of Common Stock then beneficially owned by each Designated Holder and its Affiliates and any other persons or entities whose beneficial ownership of Common Stock would be aggregated with such Designated Holders for purposes of Section 13(d) of the Exchange Act would exceed 9.985% of the total number of shares of Common Stock then issued and outstanding (the "**9.985% Cap**"); provided that the 9.985% Cap shall only apply to the extent that the Common Stock is deemed to constitute an "equity security" pursuant to Rule 13d-1(i) promulgated under the Exchange Act, provided further that Lenders shall have the right, upon 61 days' prior written notice to Borrower Representative, to waive the 9.985% Cap.

(2) Principal Market Regulation. Borrower Representative shall not issue a number of Conversion Shares pursuant to this Section 2.2(e) if the issuance of such shares together with any previously issued Conversion Shares, would result in (A) the issuance of more than 19.99% of the Common Stock outstanding as of the date of this Agreement or (B) Designated Holders, together with their Affiliates and any other

persons or entities whose beneficial ownership of Common Stock would be aggregated with such Designated Holder's for purposes of Section 13(d) of the Exchange Act, beneficially owning in excess of 19.99% of the then outstanding Common Stock and, in each case, for the avoidance of doubt, the applicable Conversion Amount shall be reduced as necessary to ensure compliance with the foregoing.

(3) Beneficial Ownership Determination. For purposes of this Section 2.2(e), "group" has the meaning set forth in Section 13(d) of the Exchange Act and applicable regulations of the SEC, and the percentage held by each Designated Holder shall be determined in a manner consistent with the provisions of Section 13(d) of the Exchange Act. Upon the written request of Administrative Agent, Borrower Representative shall, within two (2) trading days, confirm to the Administrative Agent the number of Shares then outstanding. As used herein, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act.

(vii) Certain Adjustments. If Borrower Representative declares or pays a dividend or distribution on the outstanding securities of the Class payable in Common Stock or other securities or property (other than cash), then upon exercise of any conversion option in accordance with this Section 2.2(e), for each Conversion Share acquired, Designated Holder shall receive, without additional cost to Designated Holder and solely to the extent that such dividend or distribution is not otherwise accounted for as a Stock Event and adjustment to the Conversion Price, the total number and kind of securities and property which Designated Holder would have received had Designated Holder owned the Conversion Shares of record as of the date the dividend or distribution occurred. Upon any event whereby all of the outstanding securities of the Class are reclassified, converted, exchanged, combined, substituted, or replaced for, into, with or by securities of a different class and/or series, then from and after the consummation of such event, the Conversion Shares issuable will be the number, class and series of securities that Designated Holder would have received had the Conversion Shares been outstanding on and as of the consummation of such event. The provisions of this Section 2.2(e)(vii) shall similarly apply to successive reclassifications, exchanges, combinations substitutions, replacements or other similar events.

(viii) Legends.

(1) Restrictive Legend. Until such time as the Conversion Shares constitute Unrestricted Securities, the Conversion Shares, may bear a restrictive legend in substantially the following form:

> THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND LAWS OR SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

(2) Removal of Restrictive Legends. The certificates or book entries evidencing the Conversion Shares shall not contain any securities legend restricting the transfer thereof (including the securities legend set forth above in subsection (1)) above at any time that the Conversion Shares constitute Unrestricted Securities.

(ix) No Fractional Shares. Upon conversion of the Conversion Amount into Conversion Shares, any fraction of a share will be rounded down to the next whole share of the Conversion Shares, and in lieu of such fractional shares to which a Designated Holder would otherwise be entitled, the Borrower Representative shall, at its option, either pay such Designated Holder cash equal to such fraction multiplied by the Conversion Price, or return such amount to principal under the Loan.

2.3 Payment of Interest.

(a) Interest Rate. Subject to Section 2.3(b), the outstanding principal amount of the Term Loans shall accrue interest from and after its Funding Date, at the Applicable Rate, and Borrowers shall pay such interest monthly in arrears on each Payment Date commencing on December 1, 2023.

(b) Default Rate. Immediately upon the occurrence and during the continuation of an Event of Default, Obligations shall bear interest at a rate per annum which is five percentage points (5.0%) above the rate

that is otherwise applicable thereto (the "**Default Rate**"), unless Administrative Agent agrees in writing in its sole and absolute discretion to impose a lesser increase. Fees and expenses which are required to be paid by Borrowers pursuant to the Loan Documents (including, without limitation, Lender Expenses) but are not paid when due shall bear interest until paid at a rate equal to the highest rate applicable to the Obligations. Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies pursuant to the Loan Documents. Each Borrower agrees that interest at the Default Rate is a reasonable calculation of Lenders' lost profits in view of the difficulties and impracticality of determining actual damages resulting from an Event of Default.

(c) Payment; Interest Computation. Interest is payable monthly in arrears on the Payment Date of the following month and shall be computed on the basis of a 360-day year for the actual number of days elapsed. In computing interest, (i) all payments received after 3:00 p.m. Eastern Time on any day shall be deemed received at the opening of business on the next Business Day, and (ii) the date of the making of any Loan shall be included and the date of payment shall be excluded. Changes to the Applicable Rate based on changes to the Prime Rate, shall be effective as of the date of such change to the Prime Rate and to the extent of any such change.

(d) Maximum Interest. Notwithstanding any provision in this Agreement or any other Loan Document, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (the "**Maximum Rate**"). If a court of competent jurisdiction shall finally determine that a Borrower has actually paid to Administrative Agent for the ratable benefit of the Lenders or to the Lenders an amount of interest in excess of the amount that would have been payable if all of the Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Borrowers shall be applied as follows: first, to the payment of principal outstanding in respect of the Loans; second, after all principal is repaid, to the payment of accrued interest, third, to the payment of Lender Expenses and any other Obligations; and fourth, after all Obligations are repaid, the excess (if any) shall be refunded to Borrowers or paid to whomsoever may be legally entitled thereto, provided that amounts payable to Lenders, shall be paid ratably.

2.4 Fees and Charges. Borrowers shall pay to Administrative Agent, for the ratable benefit of Secured Parties:

(a) Fees. The fees and charges as and when due in accordance with the Fee Letter; and

(b) Expenses. All Lender Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement and the other Loan Documents) incurred through and after the Closing Date, when due (or, if no stated due date, within two (2) Business Days after demand by Administrative Agent).

2.5 Payments; Application of Payments; Automatic Payment Authorization; Withholding.

(a) All payments to be made by Borrowers under any Loan Document, including payments of principal and interest and all fees, charges, expenses, indemnities and reimbursements, shall be made in immediately available funds in Dollars, without setoff, recoupment or counterclaim, before 3:00 p.m. Eastern Time on the date when due and payable. Payments of principal and/or interest received after 3:00 p.m. Eastern Time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment shall be due the next Business Day, and additional fees or interest, as applicable, shall continue to accrue until paid.

(b) No Borrower shall have a right to specify the order or the loan accounts to which a Lender shall allocate or apply any payments made by a Borrower to or for the benefit of such Lender or otherwise received by such Lender under this Agreement when any such allocation or application is not expressly specified elsewhere in this Agreement.

(c) Administrative Agent, on behalf of Secured Parties, may initiate debit entries to any Deposit Accounts as authorized on the Automatic Payment Authorization for principal and interest payments or any other Obligations when due and payable. These debits shall not constitute a set-off. If the ACH payment arrangement is terminated for any reason, Borrowers shall make all payments due hereunder at the applicable address specified in Section 10, or as otherwise notified by Administrative Agent in writing.

(d) Borrowers, Administrative Agent, Collateral Trustee and each Lender hereby agree to the terms and conditions set forth on Schedule 3 hereto.

2.6 Promissory Notes. Borrowers agree that: (a) upon written notice by or on behalf of any Lender to Borrowers that a promissory note or other evidence of indebtedness is requested by such Lender to evidence the Loans and other Obligations owing or payable to, or to be made by, such Lender, Borrowers shall promptly (and in any event within three (3) Business Days of any such request) execute and deliver to such Lender an appropriate promissory note, in substantially the form attached hereto as Exhibit G, and (b) upon any Lender's written request, and in any event within three (3) Business Days of any such request, the Borrowers shall execute and deliver to such Lender new notes and/or divide the notes in exchange for then existing notes in such smaller amounts or denominations as such Lender shall specify in its sole and absolute discretion; provided, that the aggregate principal amount of such new notes shall not exceed the aggregate principal amount of the applicable Loans made by such Lender; provided, further, that such promissory notes that are to be replaced shall then be deemed no longer outstanding hereunder and replaced by such new notes and returned to the Borrowers within a reasonable period of time after such Lender's receipt of the replacement notes. Regardless of whether or not any such promissory notes are issued, pursuant to Section 12.2(c), the Register shall evidence the Loans and other Obligations owing or payable by Borrowers to each Lender.

3. CONDITIONS OF LOANS

3.1 Conditions Precedent to Initial Loan. Each Lender's obligation to make the initial Loan is subject to the condition precedent that Lender shall have received, in form and substance satisfactory to Administrative Agent, such documents, and completion of such other matters, as Administrative Agent may reasonably deem necessary or appropriate, including, without limitation:

(a) duly executed signatures to this Agreement;

(b) duly executed original signatures to the Warrant;

(c) duly executed signatures to the Fee Letter;

(d) for each Loan Party, a certificate of such Loan Party, duly executed by a Responsible Officer of such Loan Party, certifying and attaching (i) the Operating Documents of such Loan Party, (ii) resolutions duly approved by the Board of such Loan Party, (iii) any resolutions, consent or waiver duly approved by the requisite holders of such Loan Party's Equity Interests, if applicable (or certifying that no such resolutions, consent or waiver is required), and (iv) a schedule of incumbency;

(e) a perfection certificate of Borrower Representative, together with the duly executed signature thereto (the "**Perfection Certificate**");

(f) evidence reasonably satisfactory to Administrative Agent, that the insurance policies and endorsements required by Section 6.5 are in full force and effect;

(g) a legal opinion (authority and enforceability) of counsel to the Loan Parties;

(h) the original stock certificates representing any Shares, if any, together with a stock power or other appropriate instrument of transfer with respect to each stock certificate, duly executed by the holder of record of such Shares and in blank; and

(i) payment of the fees in accordance with the Fee Letter and Lender Expenses then due as specified in Section 2.4(a).

3.2 Conditions Precedent to all Loans. Each Lender's obligations to make each Loan is subject to the following conditions precedent:

(a) except for the Term Loan made on the Closing Date, timely receipt of an executed Loan Request by Administrative Agent;

(b) the representations and warranties in this Agreement and the other Loan Documents shall be true, accurate, and complete in all material respects on the date of the Loan Request and on the Funding Date of each Loan; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date;

(c) no Default or Event of Default shall have occurred and be continuing or result from the Loan; and

(d) there has not been any event or circumstance that has had or could reasonably be expected to have a Material Adverse Effect, or any material adverse deviation by Borrowers from the most recent business plan of Borrowers presented to and accepted by Administrative Agent, as determined by Administrative Agent in Administrative Agent's sole discretion.

3.3 Covenant to Deliver.

(a) Loan Parties agree to deliver each item required to be delivered under this Agreement as a condition precedent to any Loan. Loan Parties expressly agree that a Loan made prior to the receipt of any such item shall not constitute a waiver by Administrative Agent of a Borrower's obligation to deliver such item, and the making of any Loan in the absence of a required item shall be in Administrative Agent's sole discretion.

(b) Loan Parties agree to deliver the items set forth on Schedule 2 hereto within the timeframe set forth therein (or by such other date as Administrative Agent may approve in writing), in each case, in form and substance reasonably acceptable to Administrative Agent.

3.4 Procedures for Borrowing. To obtain a Loan (other than the First Tranche Term Loan), Borrower Representative shall deliver a completed Loan Request to Administrative Agent (which may be delivered by email) no later than 3:00 p.m. Eastern Time, ten (10) Business Days prior to the date such Loan is requested to be made. On the Funding Date, each applicable Lender shall fund the applicable Loan in the manner requested by the Loan Request, provided that each of the conditions precedent to such Loan is satisfied.

4. CREATION OF SECURITY INTEREST

4.1 Grant of Security Interest. Each Loan Party hereby grants to Collateral Trustee, for the ratable benefit of Secured Parties, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Trustee, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. If this Agreement is terminated, Collateral Trustee's Lien in the Collateral shall continue until the Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist) are repaid in full in cash at which time such security interest shall automatically terminate and will be of no further force and effect.

4.2 Priority of Security Interest. Each Loan Party represents, warrants, and covenants that the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral. The Collateral may be subject to Permitted Liens. If a Loan Party shall acquire a commercial tort claim with a potential recovery in excess of Two Hundred Fifty Thousand Dollars ($250,000.00), such Loan Party shall promptly notify Administrative Agent in writing and deliver such other information and documents as Administrative Agent may require to take any further action necessary or advisable to perfect Collateral Trustee's Lien in such commercial tort claim. If a Loan Party shall acquire any instrument, such Borrower shall promptly notify Administrative Agent and deliver the same in original to the Collateral Trustee together with an allonge or other appropriate instrument of transfer and any necessary endorsement, all in form satisfactory to Administrative Agent.

4.3 Authorization to File Financing Statements. Each Loan Party hereby authorizes Collateral Trustee or its designee (or the Administrative Agent, on behalf of the Collateral Trustee) to file at any time financing statements, continuation statements and amendments thereto with all appropriate jurisdictions to perfect or protect Collateral Trustee's interest or rights hereunder. Such financing statements may describe the Collateral as all assets of such Loan Party.

4.4 Pledge of Collateral. Each Loan Party hereby pledges, collaterally assigns and grants to Collateral Trustee, for the ratable benefit of the Secured Parties, a security interest in the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing, as security for the performance of the Obligations. On the Closing Date or to the extent any Shares pledged hereunder from time to time are or become certificated, such certificate or certificates shall be delivered to Collateral Trustee, accompanied by a stock power or other appropriate instrument of assignment duly executed in blank. To the extent required by the terms and conditions governing the Shares in which a Loan Party has an interest, such Loan Party shall cause the books of each issuer of such Shares pledged hereunder and any transfer agent to reflect the pledge of such Shares. Upon the occurrence and during the continuation of an Event of Default hereunder, Collateral Trustee may effect the transfer of any securities included in the Collateral (including but not limited to the Shares pledged hereunder) into the name of Collateral Trustee and cause new certificates representing such securities to be issued in the name of Collateral Trustee or its transferee. Each Loan Party will execute and deliver such documents, and take or cause to be taken such actions, as Administrative Agent may reasonably request to perfect or continue the perfection of Collateral Trustee's security interest in the Shares pledged hereunder. Each Loan Party shall be entitled to exercise any voting rights with respect to the Shares pledged hereunder in which such Loan Party has an interest and to give consents, waivers and ratifications in respect thereof, unless following the occurrence and during the continuance of an Event of Default, Collateral Trustee (acting at the direction of the Administrative Agent subject to the terms of the Collateral Trust Agreement) shall have given notice to Borrower Representative suspending such rights, provided that no such notice shall be required if such Loan Party has commenced an Insolvency Proceeding and, in any event, no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. All such rights to vote and give consents, waivers and ratifications shall terminate upon notice given in accordance with the foregoing during the existence of an Event of Default.

5. REPRESENTATIONS AND WARRANTIES

Each Loan Party represents and warrants as follows:

5.1 Due Organization, Authorization; Power and Authority.

(a) Each Loan Party and each of its Subsidiaries are duly existing and in good standing as a Registered Organization in their respective jurisdictions of formation and are qualified and licensed to do business and are in good standing in any other jurisdiction in which the conduct of their respective business or ownership of property require that they be qualified except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Except to the extent Borrower Representative has provided notice of a legal name change in accordance with Section 7.2, (i) each Loan Party's exact legal name is that indicated on the Perfection Certificate and on the signature page hereof; (ii) each Loan Party is an organization of the type and is organized in the jurisdiction set forth in the Perfection Certificate; (iii) the Perfection Certificate accurately sets forth each Loan Party's organizational identification number or accurately states that such Loan Party has none; (iv) the Perfection Certificate accurately sets forth each Loan Party's place of business, or, if more than one, its chief executive office as well as such Loan Party's mailing address (if different than its chief executive office); and (v) except as set forth in the Perfection Certificate, each Loan Party (and each of its predecessors) has not, in the past five (5) years, changed its jurisdiction of formation, organizational structure or type, or any organizational number assigned by its jurisdiction. As of the Closing Date, all other information set forth on the Perfection Certificate pertaining to each Loan Party and each of its Subsidiaries is accurate and complete in all material respects (it being understood and agreed that Borrower Representative may from time to time update certain information in the Perfection Certificate after the Closing Date to the extent permitted by one or more specific provisions in this Agreement).

(b) The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party have been duly authorized, and do not (i) conflict with such Loan Party's Operating Documents or other organizational documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law, (iii) contravene, conflict or violate any applicable material order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which such Loan Party or any of its Subsidiaries or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect and the filings and registrations contemplated by this Agreement), or (v) conflict with, contravene, constitute a default or breach under, or result in or

permit the termination or acceleration of, any material agreement by which such Loan Party is bound. No Loan Party is in default under any agreement to which it is a party or by which it is bound in which the default could reasonably be expected to have a Material Adverse Effect.

5.2 Collateral.

(a) Each Loan Party has good title to, rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien hereunder, free and clear of any and all Liens except Permitted Liens.

(b) Except for the Collateral Accounts described in the Perfection Certificate or in a notice timely delivered pursuant to Section 6.6, no Loan Party has any Collateral Accounts at or with any bank, broker or other financial institution, and each Loan Party has taken such actions as are necessary to give Collateral Trustee a perfected security interest therein as required pursuant to the terms of Section 6.6(b).

(c) The Collateral is located only at the locations identified in the Perfection Certificate and any other locations as to which the Loan Parties have complied with Section 6.11. The Collateral is not in the possession of any third party bailee (such as a warehouse) except as otherwise provided in the Perfection Certificate or as disclosed in writing pursuant to Section 6.11.

(d) Each Loan Party is the sole owner of the material Intellectual Property which it owns or purports to own except for (i) licenses constituting "Permitted Transfers", (ii) open-source software, (iii) over-the-counter software that is commercially available to the public, (iv) material Intellectual Property licensed to such Loan Party and noted on the Perfection Certificate or as disclosed pursuant to Section 6.7(b), and (v) immaterial Intellectual Property licensed to such Loan Party. To the best of each Loan Party's knowledge, each Patent (other than patent applications) which it owns or purports to own and which is material to such Loan Party's business is valid and enforceable, and no part of the Intellectual Property which a Loan Party owns or purports to own and which is material to the Loan Parties' business has been judged invalid or unenforceable, in whole or in part. To the best of each Loan Party's knowledge, no claim has been made that any part of the Intellectual Property violates the rights of any third party except to the extent such claim could not reasonably be expected to have a Material Adverse Effect. Except as noted on the Perfection Certificate or as disclosed pursuant to Section 6.7(b), no Loan Party is a party to, nor is it bound by, any Restricted License. No Subsidiary which is not a Loan Party owns any material Intellectual Property. It will not be necessary to use any inventions of any of such Loan Party's employees or consultants (or Persons it currently intends to hire) made prior to their employment by such Loan Party. Each current employee or consultant has entered into an invention assignment agreement or similar agreement with such Loan Party with respect to all intellectual property rights he or she owns that are related to the Loan Parties' business.

5.3 Accounts; Material Agreements. To the best of Borrower Representative's knowledge, the Accounts are bona fide existing obligations of the Account Debtors. The property or services giving rise to such Accounts have been delivered or rendered, other than exceptions in the Ordinary Course of Business. No Loan Party has received any written notice of actual or imminent insolvency of a material Account Debtor. The material licenses and agreements to which any Loan Party or any of its Subsidiaries is a party is in good standing and in full force and effect and no Loan Party is in breach with respect thereto, except where such breach could not reasonably be expected to have a Material Adverse Effect. No material customer or supplier has terminated, significantly reduced or communicated in writing its intent to do so to any Loan Party or any of its Subsidiaries in a manner that would materially impair the ability of such Loan Party or Subsidiary to conduct its business.

5.4 Litigation and Proceedings. Except as set forth in the Perfection Certificate or as disclosed in writing pursuant to Section 6.2, there are no actions, suits, litigations or proceedings, at law or in equity, pending, or, to the knowledge of any Responsible Officer, threatened in writing, by or against any Loan Party or any of its Subsidiaries, officers or directors, in their capacities as such, that could reasonably be expected to result in liabilities to any Loan Party or any of its Subsidiaries individually or in the aggregate for all related proceedings, in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) or in which any adverse decision has had or could reasonably be expected to have any Material Adverse Effect.

5.5 Financial Statements; Financial Condition. All consolidated financial statements for the Loan Parties and their Subsidiaries delivered to Administrative Agent fairly present in all material respects the consolidated financial condition and results of operations of the Loan Parties and their Subsidiaries as of the respective dates and for the respective periods then ended, and there are no material liabilities (including any contingent liabilities) which

are not reflected in such financial statements or in the notes thereto (other than, with respect to unaudited financial statements, for the absence of footnotes and being subject to normal year-end adjustments. There has not been any material deterioration in the consolidated financial condition of the Loan Parties and each of its Subsidiaries or the Collateral since the date of the most recent financial statements submitted to Administrative Agent.

5.6 Solvency. The fair salable value of the assets (including goodwill minus disposition costs) of the Loan Parties and their Subsidiaries, on a consolidated basis, exceeds the fair value of liabilities of the Loan Parties' and their Subsidiaries, on a consolidated basis; the Loan Parties and their Subsidiaries, on a consolidated basis, are not left with unreasonably small capital after the transactions in this Agreement; and the Loan Parties and their Subsidiaries, on a consolidated basis, are able to pay their debts (including trade debts) as they mature.

5.7 Consents; Approvals. Each Loan Party and each of its Subsidiaries have obtained all third party consents, approvals, waivers, made all declarations or filings with, given all notices to, and obtained all consents, licenses, permits or other approvals from all Governmental Authorities that are necessary (i) to enter into the Loan Documents and consummate the transactions contemplated thereby (except such Governmental Approvals which have already been obtained and are in full force and effect and the filings and registrations contemplated by this Agreement), and (ii) to continue their respective businesses as currently conducted, except (with respect to this clause (ii)) where failure to do so could not reasonably be expected to result in a Material Adverse Effect.

5.8 Subsidiaries; Investments. No Loan Party has any Subsidiaries, except as noted on the Perfection Certificate or as disclosed to Administrative Agent pursuant to Section 6.10 below. No Loan Party owns any stock, partnership, or other ownership interest or other Equity Interests except for Permitted Investments.

5.9 Tax Returns and Payments. Each Loan Party and each of its Subsidiaries have timely filed all required material tax returns and reports (or appropriate extensions therefor), and such Loan Party and each of its Subsidiaries has timely paid all material foreign, federal, state and local taxes, assessments, deposits and contributions owed by such Loan Party or such Subsidiary, as applicable, except (a) to the extent such taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor, or (b) if such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Fifty Thousand Dollars ($50,000.00). No Loan Party is aware of any claims or adjustments proposed for any prior tax years of such Loan Party or any of its Subsidiaries which could result in a material amount of additional taxes becoming due and payable by such Loan Party or Subsidiary, unless such amounts have been paid or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor.

5.10 Shares. Each Loan Party has full power and authority to create a first lien on its Shares and no disability or contractual obligation exists that would prohibit such Loan Party from pledging its Shares pursuant to this Agreement. There are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares (in each case, other than in favor of a Loan Party). The Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. The Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and such Loan Party knows of no reasonable grounds for the institution of any such proceedings.

5.11 Compliance with Laws.

(a) No Loan Party or Subsidiary of a Loan Party is an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for, an "investment company", as such terms are defined in the Investment Company Act of 1940 as amended.

(b) No Loan Party or Subsidiary of a Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin security" as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as "**Margin Stock**"). None of the proceeds of the Loans or other extensions of credit under this Agreement have been (or will be) used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any Margin Stock or for any other purpose which might cause any of the

Loans or other extensions of credit under this Agreement to be considered a "purpose credit" within the meaning of Regulation T, U or X of the Federal Reserve Board.

(c) No Loan Party has taken or permitted to be taken any action which might cause any Loan Document to which it is a party to violate any regulation of the Federal Reserve Board. Neither the making of the Loans hereunder nor Borrowers' use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. No Loan Party, nor any of its Subsidiaries, nor any Affiliate of any Loan Party or of any Subsidiary, nor any present holder of Equity Interests of any of the foregoing (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the United States Department of Treasury ("**OFAC**") or in Section 1 of the Anti-Terrorism Order or similar sanctions laws of any other Governmental Authority including of any other applicable jurisdiction, (ii) is a citizen or resident of any country that is subject to embargo or trade sanctions enforced by OFAC, (iii) is, or will become, a Person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of the Anti-Terrorism Order, or (iv) engages in any dealings or transactions, or is otherwise associated, with any such Person.

(d) Each Loan Party and each of its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act. No part of the proceeds from the Loans made hereunder has been (or will be) used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

(e) No Reportable Event or Prohibited Transaction, as defined in ERISA has occurred or is reasonably expected to occur, and no Loan Party has failed to meet the minimum funding requirements of ERISA. No Loan Party has violated any applicable environmental laws in any material respect, maintains any properties or assets which have been designated in any manner pursuant to any environmental protection statute as a hazardous materials disposal site, or has received any notice, summons, citation or directive from the Environmental Protection Agency or any other similar Governmental Authority.

5.12 Products. A complete and accurate list of the Products material to the Loan Parties' business is set forth on the Perfection Certificate, as updated from time to time pursuant to the Compliance Certificate. Except as could not reasonably be expected to have a Material Adverse Effect, the Loan Parties and their Subsidiaries hold all required Governmental Approvals, a list of which is set forth on the Perfection Certificate, and all such Governmental Approvals are in full force and effect. Except as could not reasonably be expected to have a Material Adverse Effect, there are no proceedings in progress, pending or, to such Loan Party's knowledge, threatened, that may result in revocation, cancellation, suspension, rescission or any material adverse modification of any such Governmental Approval nor, to such Loan Party's knowledge, after due inquiry, are there any facts upon which proceedings could reasonably be based. Without limitation of the foregoing:

(a) Except as could not reasonably be expected to have a Material Adverse Effect, with respect to any Product being tested or manufactured, each Loan Party and each of its Subsidiaries has received, and such Product is the subject of, all Governmental Approvals needed in connection with the testing or manufacture of such Product as such testing is currently being conducted by or on behalf of a Loan Party or any of its Subsidiaries, and neither any Loan Party nor any of its Subsidiaries has received any written notice from any applicable Governmental Authority, that such Governmental Authority is conducting an investigation or review of (i) any Loan Party's or any of its Subsidiaries' manufacturing facilities and processes for such Product which have disclosed any material deficiencies or violations of any Requirement of Law or the Governmental Approvals related to the manufacture of such Product, or (ii) any such Governmental Approval or that any such Governmental Approval has been revoked or withdrawn, nor has any such Governmental Authority issued any order or recommendation stating that the development, testing and/or manufacturing of such Product should cease.

(b) Except as could not reasonably be expected to have a Material Adverse Effect, with respect to any Product marketed or sold by a Loan Party or any of its Subsidiaries (i) such Loan Party or such Subsidiary, as applicable, has received, and such Product is the subject of, all Governmental Approvals needed in connection with the marketing and sales of such Product as currently being marketed or sold, and (ii) no Loan Party nor any of its Subsidiaries has received any written notice from any applicable Governmental Authority, that such Governmental Authority is conducting an investigation or review of any such Governmental Approval or approval or that any such

Governmental Approval has been revoked or withdrawn, nor has any such Governmental Authority issued any order or recommendation stating that such marketing or sales of such Product cease or that such Product be withdrawn from the marketplace;

(c) There have been no adverse clinical test results in connection with a Product which have or could reasonably be expected to have a Material Adverse Effect; and

(d) There have been no Product recalls or voluntary Product withdrawals from any market, except as could not reasonably be expected to have a Material Adverse Effect.

5.13 Royalty and Milestone Payments. As of the Closing Date, except as set forth on Schedule 4 hereto, no Loan Party is obligated to make Royalty and Milestone Payments in excess of Two Hundred Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate per fiscal year.

5.14 Full Disclosure. No written representation, warranty or other statement of a Loan Party or any of its Subsidiaries in any certificate or written statement by or on behalf of a Loan Party or any of its Subsidiaries in connection with this Agreement, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading in light of the circumstances under which they were made (it being recognized that the projections and forecasts provided by any Loan Party in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ materially from the projected or forecasted results).

6. AFFIRMATIVE COVENANTS

Each Loan Party and its Subsidiaries shall, and shall cause each other Loan Party and its Subsidiaries to, do all of the following:

6.1 Government Compliance. Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of formation and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Effect; comply, and cause each Subsidiary to comply, with all laws, ordinances and regulations to which it is subject except where a failure to do so could not reasonably be expected to have a Material Adverse Effect; obtain all of the Governmental Approvals required in connection with such Loan Party's business and for the performance by each Loan Party of its obligations under the Loan Documents to which it is a party and the grant of a security interest in accordance therewith, and comply with all terms and conditions with respect to such Governmental Approvals.

6.2 Financial Statements, Reports, Certificates. Provide Administrative Agent with the following:

(a) Monthly Financial Statements. Within thirty (30) days after the last day of each month, a company prepared consolidated balance sheet, income statement and statement of cash flows covering the Loan Parties and each of their Subsidiaries' operations for such month, subject to Borrower's past practices and subject to Administrative Agent's satisfaction, certified by a Responsible Officer as having been prepared in accordance with GAAP, consistently applied, except for the absence of footnotes, and subject to normal year-end adjustments.

(b) Quarterly Financial Statements. Within forty-five (45) days after the last day of each fiscal quarter, a company prepared consolidated balance sheet, income statement and statement of cash flows covering the Loan Parties and each of their Subsidiaries' operations for such fiscal quarter, in form acceptable to Administrative Agent, certified by a Responsible Officer as having been prepared in accordance with GAAP, consistently applied, except for the absence of footnotes, and subject to normal year-end adjustments.

(c) Compliance Certificates. Together with the monthly financial statements, a duly completed Compliance Certificate signed by a Responsible Officer.

(d) Annual Operating Budget and Financial Projections. Within sixty (60) days after the end of each fiscal year of Borrower Representative (and within five (5) days of any material modification thereto), an annual operating budget, on a consolidated basis (including income statements, balance sheets and cash flow

statements, by month) for the upcoming fiscal year of Borrower Representative, together with any related business forecasts used in the preparation thereof.

(e) Annual Audited Financial Statements. As soon as available, but no later than ninety (90) days after the last day of Borrower Representative's fiscal year, audited consolidated financial statements prepared in accordance with GAAP, consistently applied, together with an unqualified opinion on the financial statements from an independent certified public accounting firm reasonably acceptable to Administrative Agent (it being understood that Ernst & Young and any other "Big Four" accounting firm is acceptable to Administrative Agent), together with any management letter with respect thereto.; provided that the inclusion of explanatory language casting doubt on Borrower Representative's ability to continue as a going concern due to the need to raise additional financing or refinance Indebtedness shall not cause such financial statements to be considered "qualified" for purposes of this subsection (e).

(f) Other Statements. Within five (5) days of delivery, copies of all statements, reports and notices generally made available to all stockholders or to any holders of Subordinated Debt.

(g) SEC Filings. Without duplication of any information provided to Administrative Agent in accordance with another provision of this Agreement, for so long as Borrower Representative is subject to the reporting requirements under the Exchange Act, within five (5) days of filing, copies of all periodic and other reports, proxy statements and other materials filed by Borrower Representative with the Securities and Exchange Commission, provided that such filings shall be deemed to have been delivered on the date on which Borrower Representative posts such documents on Borrower Representative's website, subject to notification of the filing on the then-next Compliance Certificate.

(h) Legal Action Notice. A prompt report of any legal actions pending or threatened in writing against any Loan Party or any of its Subsidiaries that could reasonably be expected to result in damages or costs to any Loan Party or any of its Subsidiaries, individually or in the aggregate for all related proceedings, of Two Hundred Fifty Thousand Dollars ($250,000.00) or more, or of any Loan Party or any of its Subsidiaries taking or threatening legal action against any third person with respect to a material claim, and with respect to any pending action or threatened action, a prompt report of any material development with respect thereto.

(i) Board Materials. Promptly after a meeting of Borrower Representative's Board, or any committee or subcommittee thereof or advisory board, and in the same manner as it gives to the members of Borrower Representative's Board or any committee or subcommittee thereof or advisory board, copies of all materials that Borrower Representative provides to its Board or such committee or subcommittee or advisory board in connection with meetings thereof, including any reports with respect to Borrowers' operations or performance, and minutes of such meetings; provided, however, that the foregoing may be subject to exclusions and redactions as necessary in order to (A) prevent disclosure of information disclosure of which is prohibited pursuant to the order of any court or administrative agency in any pending legal, judicial or administrative proceedings, or otherwise as required by applicable law or compulsory legal process or to the extent required by governmental or regulatory authorities, (B) preserve the confidentiality of highly sensitive proprietary information, or (C) prevent impairment of attorney-client privilege or prevent the disclosure of attorney-work product.

(j) Intellectual Property Report. Together with the Compliance Certificate delivered at the end of each calendar quarter, a report in form reasonably acceptable to Administrative Agent, listing any applications or registrations that any Loan Party or any of its Subsidiaries has made or filed in respect of any Patents, Copyrights or Trademarks and the status of any outstanding applications or registrations, as well as any material change in any Loan Party or any of its Subsidiaries' Intellectual Property.

(k) Aging Reports; Other Reports and Information. Together with the monthly financial reports, reports as to the following, in form acceptable to Administrative Agent: accounts payable aging, and, subject to the proviso in Section 6.2(i), any other information related to the financial or business condition of any Loan Party as and when reasonably requested by Administrative Agent.

(l) Bank Account Statements. Together with the monthly financial statements delivered in accordance with subsection (a) above, a copy of the most recent account statement, with transaction detail, for each Deposit Account or Securities Account of a Loan Party or any of its Subsidiaries, or within three (3) days, upon

Administrative Agent's reasonable request, evidence satisfactory to Administrative Agent of the balance maintained in any such Deposit Account or Securities Account.

(m) Product Related. Within three (3) Business Days of receipt, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any Governmental Approvals required for the manufacturing, marketing, testing or sale of Products or which could have a Material Adverse Effect.

(n) Royalty and Milestone Payments. Together with each Compliance Certificate, an updated schedule of reasonably expected Royalty and Milestone Payments, in substantially the same form as Schedule 4 hereto, to the extent any material change thereto has occurred since the date on which a Compliance Certificate was last delivered.

Information required to be delivered pursuant to Section 6.2 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower Representative posts such information, posted on its website or at https://www.sec.gov (or any successor website thereto), subject to notification thereof in the next Compliance Certificate delivered.

6.3 Inventory; Returns. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between a Loan Party and its Account Debtors shall follow such Loan Party's customary practices substantially as they exist at the Closing Date. Borrower Representative shall promptly notify Administrative Agent of all returns, recoveries, disputes and claims that involve more than Two Hundred Fifty Thousand Dollars ($250,000.00).

6.4 Taxes; Pensions. Timely file, and cause each of its Subsidiaries to timely file, all material tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all material foreign, federal, state and local taxes, assessments, deposits and contributions owed by such Loan Party and each of its Subsidiaries, except for deferred payment of any taxes contested pursuant to the terms of Section 5.9, and shall deliver to Administrative Agent, promptly on demand, appropriate certificates attesting to such payments, and shall pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans in accordance with their terms.

6.5 Insurance.

(a) Keep, and cause each Subsidiary to keep, its business and the Collateral insured for risks and in amounts standard for companies in the Loan Parties' industry and location and as Administrative Agent may reasonably request. Insurance policies shall be in a form, with financially sound and reputable insurance companies that are not Affiliates of any Loan Party, and in amounts that are reasonably satisfactory to Administrative Agent.

(b) Ensure that proceeds payable under any property policy maintained by any Loan Party with respect to Collateral are, at Administrative Agent's option, payable to Collateral Trustee, for the ratable benefit of the Secured Parties, on account of the Obligations. To that end, subject to Section 3.3(b) hereof, all property policies shall have a lender's loss payable endorsement showing Collateral Trustee as lender loss payable, all liability policies shall show, or have endorsements showing, Collateral Trustee as an additional insured, in each case, in form satisfactory to Administrative Agent and as set forth on Exhibit E.

(c) Notwithstanding the foregoing, (a) so long as no Event of Default has occurred and is continuing, the Loan Parties shall have the option of applying the proceeds of any casualty policy up to One Million Dollars ($1,000,000.00), in the aggregate per fiscal year, toward the acquisition of assets used or useful in the business of the Loan Parties and their Subsidiaries; provided that any such assets shall be Collateral in which Collateral Trustee has been granted a first priority security interest and (b) after the occurrence and during the continuation of an Event of Default, all such proceeds shall, at the option of Administrative Agent, be payable to Collateral Trustee, for the ratable benefit of the Secured Parties, on account of the Obligations.

(d) At Administrative Agent's reasonable request, Borrower Representative shall deliver copies of insurance policies and evidence of all premium payments. Each provider of any such insurance required under this Section 6.5 shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Collateral Trustee, that it will give Collateral Trustee thirty (30) days prior written notice

before any such policy or policies shall be canceled (or ten (10) days' notice for cancellation for non-payment of premiums).

(e) If any Loan Party fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment upon Administrative Agent's reasonable request, Collateral Trustee may (at the direction of the Administrative Agent) make all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies as Administrative Agent deems prudent or may direct upon instruction by Required Lenders.

6.6 Deposit and Securities Accounts.

(a) Maintain Collateral Accounts only at the banks and other financial institutions identified in the Perfection Certificate or as disclosed pursuant to a notice timely delivered pursuant to subsection (b) below. Borrowers shall further maintain an ACH payment structure in favor of Administrative Agent, satisfactory to Administrative Agent.

(b) Provide Administrative Agent ten (10) Business Days prior written notice (or such shorter period as agreed to in writing by Administrative Agent in its sole discretion) before establishing any Collateral Account at or with any bank, broker or other financial institution, and promptly upon opening such account, provide Administrative Agent with a written notice identifying the name, address of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor. For each Collateral Account (other than the Excluded Accounts) that any Loan Party at any time maintains, Loan Parties shall cause the applicable bank, broker or financial institution at or with which any Collateral Account is maintained to execute and deliver an Account Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Collateral Trustee's Lien in such Collateral Account in accordance with the terms hereunder.

6.7 Intellectual Property.

(a) Use commercially reasonable efforts to protect, defend and maintain the validity and enforceability of its Intellectual Property material to its business; promptly advise Administrative Agent in writing of material infringements or any other event that could reasonably be expected to materially and adversely affect the value of its Intellectual Property material to its business; not suffer any material claim of infringement that could reasonably be expected to have a Material Adverse Effect unless such claim is dismissed within thirty (30) days from initiation thereof or Borrower Representative has demonstrated to Administrative Agent's satisfaction that such proceedings are without merit and adequate reserves have been taken; and not allow any Intellectual Property material to the Loan Parties' business to be abandoned, forfeited or dedicated to the public without Administrative Agent's written consent.

(b) Provide written notice to Administrative Agent at least thirty (30) days (or such shorter period as agreed to in writing by Administrative Agent in its sole discretion) prior to any Loan Party entering or becoming bound by any Restricted License (other than off the shelf software and services that are commercially available to the public), and shall use commercially reasonable efforts to obtain, or cause such Loan Party to obtain, the consent of, or waiver in form satisfactory to Administrative Agent from any person whose consent or waiver is necessary for (i) any Restricted License to be deemed "Collateral" and for Collateral Trustee to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, and (ii) Collateral Trustee to have the ability in the event of a liquidation of any Collateral to dispose of such Restricted License together with other Collateral in accordance with Collateral Trustee's rights and remedies under this Agreement and the other Loan Documents.

(c) Notwithstanding anything herein or any other Loan Document to the contrary, the Loan Parties shall be permitted to enter into licensing agreements and co-development arrangements consistent with subsection (b) of the definition of Permitted Transfers.

6.8 Litigation Cooperation. From the Closing Date and continuing through the termination of this Agreement, make available to Administrative Agent, Collateral Trustee and any Lender, without expense to Administrative Agent, Collateral Trustee or such Lender, as applicable, during normal business hours and upon reasonable prior notice, each Loan Party and its officers, employees and agents and each Loan Party's books and

records, to the extent that Administrative Agent, Collateral Trustee or such Lender may deem them reasonably necessary to prosecute or defend any third-party suit or proceeding instituted by or against Administrative Agent, Collateral Trustee or such Lender with respect to any Collateral or relating to such Loan Party.

6.9 Access to Collateral; Books and Records. Allow Administrative Agent, Collateral Trustee, or its respective agents, to inspect the Collateral and audit and copy such Loan Party's Books in accordance with the proviso to Section 6.2(i) and this Section 6.9, upon reasonable notice and during regular business hours (provided no Event of Default has occurred and is continuing). Such inspections or audits shall be conducted no more often than once every twelve (12) months unless an Event of Default has occurred and is continuing in which case such inspections and audits shall occur as often as Administrative Agent shall determine is necessary. The foregoing inspections and audits shall be at Borrowers' expense.

6.10 Joinder of Subsidiaries.

(a) No later than thirty (30) days (or such later period as Administrative Agent may agree in writing in its sole discretion) after such time as a Loan Party or any of its Subsidiaries forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Closing Date: (a) provide written notice thereof to Administrative Agent together with certified copies of the Operating Documents for such Subsidiary, and (b) promptly, and in any event within thirty (30) days (or such later period as Administrative Agent may agree in writing in its sole discretion) of formation or creation, or upon Administrative Agent's request, as applicable: (i) take all such action as may be reasonably required by Administrative Agent to cause the applicable Subsidiary to either: (A) provide a joinder to this Agreement pursuant to which such Subsidiary becomes a Loan Party hereunder, or (B) guarantee the Obligations of the Loan Parties under the Loan Documents and grant a security interest in and to the Collateral of such Subsidiary (substantially as described on Exhibit B), in each case together with such Account Control Agreements and other documents, instruments and agreements reasonably requested by Administrative Agent, all in form and substance satisfactory to Administrative Agent (including being sufficient to grant Collateral Trustee a first priority Lien, subject to Permitted Liens in and to the assets of such Subsidiary), and (ii) and to pledge all of the direct or beneficial Equity Interests in such Subsidiary. Any document, agreement, or instrument executed or issued pursuant to this Section 6.10 shall be a Loan Document. Notwithstanding the foregoing, except as required to maintain compliance with subsection (b) below, no CFC owned by a Borrower shall be required to be joined as a Loan Party in accordance with the foregoing.

(b) Borrowers shall not permit Subsidiaries which are not Loan Parties, in the aggregate to (i) maintain cash and other assets with an aggregate value for all such Subsidiaries in excess of 5.0% of consolidated assets of the Loan Parties and their Subsidiaries, measured as of the last day of each calendar month, (ii) achieve revenue in excess of 5.0% of consolidated revenue of the Loan Parties and their Subsidiaries for any twelve month period then ended on the last day of each calendar month, (iii) own any Intellectual Property which is material to the business of Borrowers as a whole, or (iv) any contracts which are material to the business of Borrowers as a whole, without causing one or more of such Subsidiaries to enter into a joinder or guaranty in form satisfactory to Administrative Agent with respect to the Obligations as Administrative Agent may request within fifteen (15) days after the financial statements for such calendar month have been delivered (or were required to be delivered) (or such other period as Administrative Agent may agree in writing), such that compliance with clauses (i) through (iv) shall be restored.

6.11 Property Locations.

(a) Provide to Administrative Agent at least ten (10) days' (or such shorter period as Administrative Agent may agree in writing in its sole discretion) prior written notice before adding any new offices or business or Collateral locations, including warehouses (unless such new offices or business or Collateral locations qualify as Excluded Locations).

(b) With respect to any property or assets of a Loan Party located with a third party, including a bailee, datacenter or warehouse (other than Excluded Locations), the applicable Loan Party shall use commercially reasonable efforts to cause such third party to execute and deliver a Collateral Access Agreement for such location, including an acknowledgment from each of the third parties that it is holding or will hold such property, subject to Collateral Trustee's security interest.

(c) With respect to any property or assets of a Loan Party located on leased premises (other than Excluded Locations), the applicable Loan Party shall use commercially reasonable efforts to cause such third party to execute and deliver a Collateral Access Agreement for such location.

6.12 Management Rights. Subject to the proviso in Section 6.2(i), any representative of Administrative Agent shall have the right to meet with management and officers of Borrowers at reasonable times and intervals to discuss such books of account and records. In addition, Administrative Agent shall be entitled at reasonable times and intervals to consult with and advise the management and officers of Borrowers concerning significant business issues affecting Borrowers; provided that Borrowers shall not be under any obligation to follow any advice given or proposals made by Administrative Agent during any such consultations and the ultimate discretion with respect to all such matters shall be retained by the Borrowers. Such consultations shall not unreasonably interfere with any Loan Party's business operations.

6.13 Notice of Qualified Financings. Borrower Representative agrees to use commercially reasonable efforts to provide written notice to Designated Holders of each Qualified Financing consummated after the Closing Date not less than ten (10) days prior to the anticipated initial closing of such Qualified Financing, which notice shall contain the material terms and conditions of such Qualified Financing. Borrower Representative may, in its sole discretion but without obligation to do so, offer to the Designated Holders the opportunity to participate in any one or more Qualified Financings on the same terms, conditions and pricing afforded to other investors participating in such Qualified Financing(s); provided, that the maximum aggregate investment amount by Designated Holders for all participation in Qualified Financings pursuant to this Section 6.13 shall be Five Million Dollars ($5,000,000.00).

6.14 Further Assurances. Execute any further instruments and take further action as Administrative Agent or Collateral Trustee reasonably request to perfect or continue Collateral Trustee's Lien in the Collateral or to effect the purposes of this Agreement.

7. NEGATIVE COVENANTS

No Loan Party shall, or shall cause or permit any of its Subsidiaries to, do any of the following:

7.1 Dispositions. Convey, sell, lease, transfer, assign, or otherwise dispose of (collectively, "**Transfer**") all or any part of its business or property, except for Permitted Transfers.

7.2 Changes in Business, Management, Ownership, or Business Locations(a) Engage in any business other than the businesses currently engaged in by such Person, as applicable, or reasonably related thereto; (b) cease doing business, or liquidate or dissolve; (c) fail to provide notice to Administrative Agent of any Key Person departing from or ceasing to be employed by a Loan Party within ten (10) days thereof; (d) permit or suffer a Change in Control; or (e) without at least ten (10) days (or such shorter period as Administrative Agent may agree in writing in its sole discretion) prior written notice to Administrative Agent (i) change its jurisdiction of organization, (ii) change its organizational structure or type, (iii) change its legal name, or (iv) change its organizational number (if any) assigned by its jurisdiction of organization.

7.3 Mergers or Acquisitions. Merge or consolidate with any other Person (except if concurrently with, and as a condition to the effectiveness of, the closing of such merger or consolidation, the Obligations shall be repaid in full, in cash), or acquire all or substantially all of the capital stock or property of another Person or business line of another Person (including, without limitation, by the formation of any Subsidiary) or enter into any agreement to do any of the same (except to the extent such agreement contemplates the prepayment in full of the Obligations concurrently with the consummation of the transaction), provided that a Subsidiary may merge or consolidate into another Subsidiary or into a Loan Party that in any such merger or consolidation involving a Loan Party, such Loan Party shall be the surviving entity.

7.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, other than Permitted Indebtedness.

7.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, except for Permitted Liens, or otherwise permit any Collateral not to be subject to the first priority security interest granted herein, except in connection with Permitted Liens that are permitted to have priority over Collateral Trustee's Lien, or enter into any agreement, document,

instrument or other arrangement (except with or in favor of Collateral Trustee) with any Person which directly or indirectly prohibits or has the effect of prohibiting any Loan Party or Subsidiary from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of such Loan Party's or Subsidiary's Intellectual Property, except in connection with restrictions in the Ordinary Course of Business in connection with licenses of Intellectual Property constituting a Permitted Transfer with respect to the Intellectual Property subject to such license.

7.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6(b).

7.7 Distributions; Investments. (a) Pay any dividends or make any distribution or payment in respect of, or redeem, retire or purchase any Equity Interests provided that (i) Borrower Representative may convert any of its convertible Equity Interests (including warrants) into other Equity Interests issued by Borrower Representative pursuant to the terms of such convertible securities or otherwise in exchange thereof, (ii) Borrower Representative may convert Subordinated Debt issued by Borrower Representative into Equity Interests issued by Borrower Representative pursuant to the terms of such Subordinated Debt and to the extent permitted under the terms of the applicable subordination or intercreditor agreement; (iii) Borrower Representative or any Subsidiary thereof may pay dividends solely in Equity Interests of Borrower Representative or such Subsidiary, as applicable; (iv) Borrower Representative may make cash payments in lieu of fractional shares; (v) any Subsidiary may (directly or indirectly) pay dividends, or make distributions or other payments, in respect of Equity Interests to a Loan Party; (vi) Borrower Representative and its Subsidiaries may make payments to federal and state taxing authorities of income taxes resulting from the withholding of shares of stock, equivalent to the tax obligations of employees of such Person in connection with the vesting in such employees of restricted stock units held by such employees; and (vii) Borrower Representative may repurchase the Equity Interests issued by Borrower Representative pursuant to stock repurchase agreements or similar agreements approved by Borrower Representative's Board so long as an Event of Default does not exist at the time of such repurchase and would not exist after giving effect to such repurchase, provided that the aggregate amount of all such repurchases does not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) per fiscal year (the actions set forth in clauses (i) through (vii), the "**Permitted Distributions**") or (b) directly or indirectly make any Investment (including, without limitation, by the formation of any Subsidiary), other than Permitted Investments.

7.8 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of a Loan Party, except for (a) transactions that are in the Ordinary Course of Business and on fair and reasonable terms that are no less favorable to such Person than would be obtained in an arm's length transaction with a non-affiliated Person; (b) bona fide rounds of Subordinated Debt or equity financing by existing investors in Borrower Representative for capital raising purposes, (c) reasonable and customary director, officer and employee compensation and other customary benefits including retirement, health, stock option and other benefit plans and indemnification arrangements approved by Borrower Representative's Board, and (d) transactions among Loan Parties and Subsidiaries that are not otherwise prohibited under this Agreement.

7.9 Subordinated Debt; Payments of Royalty and Milestone Payments. (a) Make or permit any payment on any Subordinated Debt, except as permitted pursuant to the terms of the subordination, intercreditor, or other similar agreement to which such Subordinated Debt is subject, or (b) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof, provide for earlier or greater principal, interest, or other payments thereon, or adversely affect the subordination thereof to the Obligations, (c) make or permit payments in respect of any Royalty and Milestone Payments in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) per fiscal year except in accordance with Schedule 4, as the same may be updated from time to time, subject to Administrative Agent's reasonable review and approval, and (d) amend or modify any agreement giving rise to Royalty and Milestone Payments if as a result thereof, such payments would be increased or the due date thereof would be accelerated, except as set forth in an updated Schedule 4 delivered from time to time by Borrower Representative, subject to Administrative Agent's reasonable review and approval.

7.10 Compliance. Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any Loan for that purpose; take any action or fail to take any action (or suffer any other Person to do so), to the extent the same would cause the representations set forth in Section 5.11(c) to be untrue; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur that could, in each case, reasonably be expected to have a Material Adverse

Effect on any Loan Party's business or operations; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation could reasonably be expected to have a Material Adverse Effect; withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of a Loan Party or any of its Subsidiaries, including any material liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

8.1 Payment Default. Any Loan Party fails to pay any Obligations after such Obligations are due and payable (other than as a result of Administrative Agent's failure to debit such Loan Party's account from which Administrative Agent has authorization to debit and such Loan Party has sufficient funds on deposit therein on the date due, so long as, in case of such failure, payment is made within three (3) Business Days of the earlier of Administrative Agent's written notice or the date any Loan Party becomes aware of such failure).

8.2 Covenant Default.

(a) A Loan Party fails or neglects to perform any obligation in Section 3.3(b), Section 4.2, Section 6.2, Section 6.4, Section 6.5, Section 6.6, and Section 6.10, or violates any covenant in Section 7; or

(b) A Loan Party fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Loan Documents, and as to any default (other than those specified in this Section 8) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the default within fifteen (15) Business Days after the occurrence thereof.

8.3 Material Adverse Effect. An event or circumstance has occurred which could be expected to have a Material Adverse Effect.

8.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of a Loan Party or of any of its Subsidiaries with a value individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000.00), or (ii) a notice of Lien or levy is filed against the assets of any Loan Party or any of its Subsidiaries with a value individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000.00) by any Governmental Authority, and the same under clauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Loans shall be made during any ten (10) day cure period; or

(b) (i) any material portion of the assets of a Loan Party or any of its Subsidiaries is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents a Loan Party or any of its Subsidiaries from conducting all or any material part of its business.

8.5 Insolvency. (a) The Loan Parties and their Subsidiaries, as a whole, are unable to pay their debts (including trade debts) as they become due or otherwise become insolvent, the realizable value of the Loan Parties' consolidated assets, as a whole, is less than the aggregate sum of their consolidated liabilities; (b) a Loan Party or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against a Loan Party or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Loans shall be made while any of the conditions described in this Section 8.5 exist and/or until any such Insolvency Proceeding is dismissed).

8.6 Other Agreements. There is, under any agreement to which a Loan Party or any of its Subsidiaries is a party with a third party or parties, (a) any default resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount individually or in the aggregate in excess of Five Hundred Thousand Dollars ($500,000.00) (except if such third party is restricted from accelerating the maturity of such Indebtedness, including pursuant to the terms of a subordination or similar agreement entered into with respect to the Obligations); or (b) any breach or default by a Loan Party or a Subsidiary of such Loan Party, the result of which could reasonably be expected to have a Material Adverse Effect.

8.7 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least Five Hundred Thousand Dollars ($500,000.00) (not covered by independent third-party insurance as to which liability has been accepted by such insurance carrier) shall be rendered against a Loan Party or any of its Subsidiaries by any Governmental Authority, and the same are not, within twenty (20) days after the entry, assessment or issuance thereof, vacated, or after execution thereof, stayed or bonded pending appeal, (provided that no Loans will be made prior to the vacation, stay, or bonding of such fine, penalty, judgment, order or decree).

8.8 Misrepresentations. Any Loan Party or any Person acting for such Loan Party makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Administrative Agent, Collateral Trustee or any Lender or to induce Administrative Agent, Collateral Trustee or any Lender to enter this Agreement or any Loan Document, and such representation, warranty, or other statement is incorrect in any material respect when made.

8.9 Subordinated Debt. (i) Any party to a Subordination Agreement governing any Subordinated Debt with an aggregate principal value in excess of Five Hundred Thousand Dollars ($500,000.00) in the aggregate shall be in breach thereof or (ii) any Subordination Agreement governing any Subordinated Debt shall for any reason be revoked or invalidated or otherwise cease to be in full force and effect, any party thereto shall contest in any manner the validity or enforceability thereof or deny that it has any further obligation thereunder, or the Obligations shall for any reason not have the priority contemplated by this Agreement.

8.10 Governmental Approval. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner or not renewed for a full term, and such revocation, rescission, suspension, modification or non-renewal has, or could have, a Material Adverse Effect.

8.11 Guaranty. Any guaranty of any Obligations terminates or ceases for any reason to be in full force and effect (other than pursuant to the terms thereof).

9. COLLATERAL TRUSTEE'S RIGHTS AND REMEDIES

9.1 Acceleration. Upon the occurrence and during the continuation of an Event of Default, Administrative Agent, is entitled, without notice or demand, to declare all Obligations immediately due and payable (but if an Event of Default described in Section 8.5 occurs all Obligations are immediately due and payable without any action by Administrative Agent), and to stop advancing money or extending credit for any Borrower's benefit under this Agreement (and each Lender's Commitment shall be deemed terminated as long as an Event of Default has occurred and is continuing).

9.2 Rights. Upon the occurrence and during the continuation of an Event of Default, Collateral Trustee is entitled, at the direction of Administrative Agent, subject to the terms of the Collateral Trust Agreement, without notice or demand, to do any or all of the following, to the extent not prohibited by applicable law::

(a) verify the amount of, demand payment of and performance under, and collect any Accounts and General Intangibles, settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Administrative Agent may determine is advisable, and notify any Person owing a Loan Party money of Collateral Trustee's security interest in such funds;

(b) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral;

(c) ratably apply to the Obligations any amount held by Collateral Trustee owing to or for the credit or the account of a Loan Party;

(d) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, advertise for sale, and sell the Collateral;

(e) deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Account Control Agreement or similar agreements providing control of any Collateral;

(f) demand and receive possession of any Loan Party's Books; and

(g) exercise all rights and remedies available to Collateral Trustee under the Loan Documents or at law or equity, including all remedies provided under the Code (including disposal of the Collateral pursuant to the terms thereof).

Loan Parties shall assemble the Collateral if Collateral Trustee requests and make it available as Collateral Trustee designates. Collateral Trustee may enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Each Loan Party grants Collateral Trustee a license to enter and occupy any of its premises, without charge, to exercise any of Collateral Trustee's rights or remedies. Collateral Trustee is hereby granted a non-exclusive, royalty-free license or other right to use, without charge, a Loan Party's labels, Patents, Copyrights, mask works, rights of use of any name, trade secrets, trade names, Trademarks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Collateral Trustee's exercise of its rights under this Section, a Loan Party's rights under all licenses and all franchise agreements inure to Collateral Trustee's benefit. If, after the acceleration of the Obligations, a Loan Party receives proceeds of Collateral, such Loan Party shall deliver such proceeds to Collateral Trustee, for the ratable benefit of the Secured Parties, to be applied to the Obligations.

9.3 Power of Attorney. Each Loan Party hereby irrevocably appoints Collateral Trustee (and any of Collateral Trustee's partners, managers, officers, agents or employees) as its lawful attorney-in-fact, with full power of substitution, exercisable upon the occurrence and during the continuation of an Event of Default, to: (a) send requests for verification of Accounts or notify Account Debtors of Collateral Trustee's security interest and Liens in the Collateral; (b) endorse such Loan Party's name on any checks or other forms of payment or security; (c) sign such Loan Party's name on any invoice or bill of lading for any Account or drafts against Account Debtors schedules and assignments of Accounts, verifications of Accounts, and notices to Account Debtors; (d) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Administrative Agent or Collateral Trustee determine reasonable; (e) make, settle, and adjust all claims under such Loan Party's insurance policies; (f) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (g) transfer the Collateral into the name of Collateral Trustee or a third party as the Code permits; and (h) dispose of the Collateral. Each Loan Party further hereby appoints Collateral Trustee (and any of Collateral Trustee's partners, managers, officers, agents or employees) as its lawful attorney-in-fact, with full power of substitution, regardless of whether or not an Event of Default has occurred and is continuing to: (i) sign such Loan Party's name on any documents and other Security Instruments necessary to perfect or continue the perfection of, or maintain the priority of, Collateral Trustee's security interest in the Collateral, (ii) take all such actions which such Loan Party is required, but fails to take under the covenants and provisions of the Loan Documents; and (iii) take any and all such actions as Collateral Trustee may reasonably determine to be necessary or advisable for the purpose of maintaining, preserving or protecting the Collateral or any of the rights, remedies, powers or privileges of Collateral Trustee under this Agreement or the other Loan Documents. Collateral Trustee's foregoing appointment as each Loan Party's attorney in fact, and all of Collateral Trustee's rights and powers are coupled with an interest and are irrevocable until all Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist) have been fully repaid, in cash, and otherwise fully performed and all commitments to make Loans hereunder have been terminated.

9.4 Protective Payments. If a Loan Party fails to obtain the insurance called for by Section 6.5 or fails to pay any premium thereon or fails to pay any other amount which such Loan Party is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Collateral Trustee may (at the direction of the Administrative Agent) obtain such insurance or make such payment, and all amounts so paid by Collateral Trustee are Lender Expenses and immediately due and payable, bearing interest at the then highest rate applicable to the Obligations, and secured by the Collateral. Collateral Trustee will make reasonable efforts to provide Borrower Representative with notice of Collateral Trustee obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Collateral Trustee are deemed an agreement to make similar payments in the future or Collateral Trustee's waiver of any Event of Default.

9.5 Application of Payments and Proceeds Upon Default. If an Event of Default has occurred and is continuing, Collateral Trustee shall have the right to apply in any order any funds in its possession, whether payments, proceeds realized as the result of any collection of Accounts or other disposition of the Collateral, or otherwise, to the Obligations, for the ratable benefit of Secured Parties. Collateral Trustee shall pay any surplus to Borrowers by credit

to the Deposit Account designated by Borrowers or as directed by a court of competent jurisdiction. Borrowers shall remain liable to Collateral Trustee and Lenders for any deficiency. If Collateral Trustee, as directed by Administrative Agent in Administrative Agent's good faith business judgment, directly or indirectly, enters into a deferred payment or other credit transaction with any purchaser at any sale of Collateral, Collateral Trustee may, at the direction of Administrative Agent, either reduce the Obligations by the principal amount of the purchase price or defer the reduction of the Obligations until the actual receipt by Collateral Trustee of cash or immediately available funds therefor.

9.6 Collateral Trustee's Liability for Collateral. So long as Collateral Trustee complies with reasonable secured lender practices regarding the safekeeping of the Collateral in the possession or under the control of Collateral Trustee, Collateral Trustee shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person, except to the extent that any of the foregoing have been found by a final judgment of a court of competent jurisdiction to be the result of Collateral Trustee's gross negligence or willful misconduct. Loan Parties bear all risk of loss, damage or destruction of the Collateral.

9.7 No Waiver; Remedies Cumulative. Any failure by Administrative Agent, Collateral Trustee or any Lender, at any time or times, to require strict performance by each Loan Party of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Administrative Agent, Collateral Trustee or any Lender thereafter to demand strict performance and compliance herewith or therewith. Collateral Trustee's rights and remedies under this Agreement and the other Loan Documents are cumulative. Collateral Trustee has all rights and remedies provided under the Code, by law, or in equity. Collateral Trustee or any Lender's exercise of one right or remedy is not an election and shall not preclude Collateral Trustee or any Lender from exercising any other remedy under this Agreement or other remedy available at law or in equity, and any waiver of any Event of Default is not a continuing waiver. Any delay in exercising any remedy is not a waiver, election, or acquiescence.

9.8 Demand Waiver. Each Loan Party waives presentment, demand, notice of default or dishonor, notice of payment and nonpayment, release, compromise, settlement, extension, or renewal of accounts, documents, instruments or chattel paper.

9.9 Shares. Each Loan Party recognizes that Collateral Trustee may be unable to effect a public sale of any or all the Shares, by reason of certain prohibitions contained in federal securities laws and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Loan Party acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. Collateral Trustee shall be under no obligation to delay a sale of any of the Shares for the period of time necessary to permit the issuer thereof to register such securities for public sale under federal securities laws or under applicable state securities laws, even if such issuer would agree to do so.

10. NOTICES

All notices, consents, requests, approvals, demands, or other communication by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon confirmation of receipt, when sent by electronic mail transmission; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, or email address indicated below. Administrative Agent, Collateral Trustee, Lenders and Loan Parties may change their respective mailing or electronic mail addresses by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Loan Parties	**ACUMEN PHARMACEUTICALS, INC.** 427 Park Street Charlottesville, VA 22902 Attention: Matt Zuga (Chief Financial Officer); Derek Meisner (Chief Legal Officer) Email: [***]
With a copy, not constituting notice, to:	**ROPES & GRAY LLP** 191 North Wacker Drive, 32nd Floor Chicago, IL 60606 Attention: Greg Bauer Email: Gregory.Bauer@ropesgray.com
If to Collateral Trustee:	**ANKURA TRUST COMPANY, LLC** 140 Sherman Street, Fourth Floor Fairfield, CT 06824 Attention: Beth Micena Email: [***]
With a copy, not constituting notice, to:	**ROPES & GRAY LLP** 10250 Constellation Boulevard Los Angeles, CA 90067 Attention: Jennifer Harris Email: Jennifer.Harris@ropesgray.com
If to Administrative Agent or Lenders:	**K2 HEALTHVENTURES LLC** 855 Boylston Street, 10th Floor Boston, MA 02116 *For Loan Requests, monthly reporting, Compliance Certificates, and other regular reporting deliverables*: Attention: Finance Email: [***] *For all other notices*: Attention: Legal Notices Email: [***]
With a copy to (but not constituting notice, and excluding Loan Requests and regular reporting):	**MORRISON & FOERSTER LLP** 200 Clarendon Street Floor 21 Boston, Massachusetts 02116 Attn: David A. Ephraim, Esquire Fax: (617) 648-4730 Email: DEphraim@mofo.com

11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

Except as otherwise expressly provided in any of the Loan Documents, this Agreement and the other Loan Documents shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflicts of law. Each party hereto hereby submits to the exclusive jurisdiction of the State and Federal courts in New York County, City of New York, New York; provided, however, that nothing in this Agreement shall be deemed to operate to preclude Collateral Trustee from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other

court order in favor of Administrative Agent, Collateral Trustee or any Lender. Each party hereto expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court, and each party hereto hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court. Each party hereto hereby waives personal service of the summons, complaints, and other process issued in such action or suit and agrees that service of such summons, complaints, and other process may be made by registered or certified mail addressed to such party at the address set forth in, or subsequently provided by such Person in accordance with, Section 10 and that service so made shall be deemed completed upon the earlier to occur of such Person's actual receipt thereof or three (3) Business Days after deposit in the U.S. mails, proper postage prepaid. Each party hereto hereby expressly waives any claim to assert that the laws of any other jurisdiction govern this Agreement.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO EACH WAIVE THEIR RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE LOAN DOCUMENTS OR ANY CONTEMPLATED TRANSACTION, INCLUDING CONTRACT, TORT, BREACH OF DUTY AND ALL OTHER CLAIMS. THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT OR ANYWHERE ELSE, EACH LOAN PARTY AGREES THAT IT SHALL NOT SEEK FROM ADMINISTRATIVE AGENT, COLLATERAL TRUSTEE OR ANY LENDER UNDER ANY THEORY OF LIABILITY (INCLUDING ANY THEORY IN TORTS), ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES. EACH PARTY HAS REVIEWED THIS WAIVER WITH ITS COUNSEL.

This Section 11 shall survive the termination of this Agreement.

12. GENERAL PROVISIONS

12.1 Termination Prior to Term Loan Maturity Date; Survival; Release of Collateral. All covenants, representations and warranties made in this Agreement continue in full force until this Agreement has terminated pursuant to its terms and all Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied in full, in cash and all commitments to extend credit pursuant to this Agreement have terminated (such date, the "**Discharge Date**"). So long as Borrowers have satisfied the Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist and any other obligations which, by their terms, are to survive the termination of this Agreement), this Agreement and any remaining commitments to extend credit may be terminated prior to the Term Loan Maturity Date by Borrowers, by written notice of termination to Lenders. Those obligations that are expressly specified in this Agreement as surviving this Agreement's termination shall continue to survive notwithstanding this Agreement's termination. Promptly after the Discharge Date, Administrative Agent shall direct Collateral Trustee to deliver evidence of the release of Collateral. Collateral Trustee hereby agrees that any Liens granted to Collateral Trustee by the Loan Parties on any Collateral shall be automatically released (a) in accordance with this Section 12.1, upon the Discharge Date, (b) if such Collateral is sold, transferred or otherwise disposed of by a Loan Party pursuant to any sale, transfer or other disposition that is made in compliance with, and subject to the terms and condition of, this Agreement, with Administrative Agent confirming such permitted disposition in writing to the Collateral Trustee, or (c) if required to effect any sale, transfer or other disposition of such Collateral in connection with any exercise of remedies by Administrative Agent or Collateral Trustee pursuant to Section 9. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of Loan Parties in respect of) all interests retained by Secured Parties or any of their Subsidiaries. Upon Borrower Representative's reasonable request and at Borrower Representative's sole cost and expense, Administrative Agent or Collateral Trustee, as applicable, shall execute, deliver or authorize such documents as may be reasonably required to evidence any release described above.

12.2 Successors and Assigns.

(a) Successors and Assigns Generally. This Agreement binds and is for the benefit of the successors and permitted assigns of each party. No Loan Party may assign this Agreement or any rights or obligations under it without Lenders' prior written consent (which may be granted or withheld in each Lender's discretion). Each Lender has the right, without the consent of or notice to Loan Parties, to sell, transfer, assign, negotiate, or grant

participation in all or any part of, or any interest in, such Lender's obligations, rights, and benefits under this Agreement and the other Loan Documents (other than the Warrant, as to which assignment, transfer and other such actions are governed by the terms thereof). Notwithstanding the foregoing, prior to the occurrence of an Event of Default that is continuing, Administrative Agent and each Lender shall not assign any interest in the Loan Documents to any Person who in the reasonable estimation of Administrative Agent is (a) a direct competitor of the Loan Parties, or (b) a vulture fund or distressed debt fund.

(b) Assignment by Lenders. Each Lender may at any time assign to one or more eligible assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its commitment and the Loans at the time owing to it), subject to any restrictions on such assignment set forth in the other Loan Documents. Each such Lender shall notify the Administrative Agent of such assignment and deliver to the Administrative Agent a copy of any assignment and assumption agreement entered into in connection thereto. Notwithstanding anything herein to the contrary, any pledge or assignment of all or a portion of the rights, or a security interest in such rights, of K2 HealthVentures LLC as a Lender made to an Affiliate of K2 HealthVentures LLC, shall only be made to K2 HealthVentures Equity Trust LLC.

(c) Register; Participant Register. Administrative Agent, acting solely for this purpose as an agent of the Loan Parties, shall maintain at one of its offices in the United States a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Term Loans owing to each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Loan Parties, Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Loan Parties, any Lender and the Collateral Trustee at any reasonable time and from time to time upon reasonable prior notice. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Loan Parties, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Term Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

12.3 Indemnification. Each Loan Party agrees to indemnify, defend and hold Administrative Agent, Collateral Trustee and each Lender and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Lender (each, an "**Indemnified Person**") harmless against: (i) all obligations, demands, claims, and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort) (collectively, "**Claims**") claimed or asserted by any other party in connection with the transactions contemplated by the Loan Documents; and (ii) all losses or expenses (including Lender Expenses) in any way suffered, incurred, or paid by such Indemnified Person as a result of, following from, consequential to, or arising from transactions among Administrative Agent, Collateral Trustee, Lenders and Loan Parties(including reasonable attorneys' fees and expenses), except for Claims and/or losses to the extent directly caused by such Indemnified Person's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction. This Section 12.3 shall survive until all statutes of limitation with respect to the Claims, losses, and expenses for which indemnity is given shall have run. This Section 12.3 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

12.4 Borrower Liability. If any Person is joined to this Agreement as a Borrower, the following provisions shall apply: Each Borrower hereunder shall be jointly and severally obligated to repay all Loans made hereunder, regardless of which Borrower actually receives said Loan, as if each Borrower hereunder directly received all Loans. Each Borrower waives (a) any suretyship defenses available to it under the Code or any other applicable law, and (b) any right to require Collateral Trustee to: (i) proceed against any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Collateral Trustee may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose by

judicial or non-judicial sale) without affecting any Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, until all Obligations (other than contingent indemnification obligations as to which no claim has been asserted or is known to exist and any other obligations which, by their terms are to survive the termination of this Agreement) have been satisfied in full, in cash, all commitments to extend credit pursuant to this Agreement have been terminated, and the Loan Documents have been terminated, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating such Borrower to the rights of Collateral Trustee under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by such Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by a Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section shall be null and void. If any payment is made to a Borrower in contravention of this Section, such Borrower shall hold such payment in trust for Lenders and such payment shall be promptly delivered to Collateral Trustee, for the ratable benefit of the Secured Parties, for application to the Obligations, whether matured or unmatured.

12.5 Time of Essence. Time is of the essence for the performance of all Obligations in this Agreement.

12.6 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

12.7 Correction of Loan Documents. Administrative Agent may correct patent errors and fill in any blanks in the Loan Documents consistent with the agreement of the parties, so long as Administrative Agent provides Loan Parties with written notice of such correction and allows Loan Parties at least ten (10) days to object to such correction. In the event of such objection, such correction shall not be made except by an amendment signed by both Administrative Agent and the Loan Parties.

12.8 Amendments in Writing; Waiver; Integration. No purported amendment or modification of any Loan Document, or waiver, discharge or termination of any obligation under any Loan Document, shall be effective except, pursuant to an agreement in writing by the parties thereto, and in case of this Agreement, pursuant to an agreement in writing entered into by Borrowers, Administrative Agent, the Required Lenders and Collateral Trustee, provided that Collateral Trustee's approval shall not be required for any amendment or supplement that has the effect solely of (i) adding or maintaining Collateral, securing additional Obligations that are otherwise permitted by the terms of this Agreement to be secured by the Collateral or preserving, perfecting or establishing the priority of the Liens thereon or the rights of Collateral Trustee therein; (ii) curing any ambiguity, defect or inconsistency; (iii) providing for the assumption of a Borrower's or Guarantor's Obligations under any Loan Document in the case of a merger or consolidation or sale of all or substantially all of the assets of a Borrower or Guarantor, as applicable; (iv) making any change that would provide any additional rights or benefits to the Administrative Agent, any Lender or Collateral Trustee or that does not adversely affect the legal rights under this Agreement or any other Loan Document of Collateral Trustee; or (v) to the extent the Collateral Trust Agreement provides that Collateral Trustee's approval is not required. It is agreed that any change to (i) the definition of "Designated Holder", (ii) the rights of a Designated Holder, or (iii) the final sentence of Section 12.2(b) (and any change to this Agreement that would modify the consent required pursuant to this sentence) shall require the consent of the Collateral Trustee. Without limiting the generality of the foregoing, no oral promise or statement, nor any action, inaction, delay, failure to require performance or course of conduct shall operate as, or evidence, an amendment, supplement or waiver or have any other effect on any Loan Document. Any waiver granted shall be limited to the specific circumstance expressly described in it, and shall not apply to any subsequent or other circumstance, whether similar or dissimilar, or give rise to, or evidence, any obligation or commitment to grant any further waiver. The Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations among the parties about the subject matter of the Loan Documents merge into the Loan Documents.

12.9 Counterparts; Electronic Execution of Documents. This Agreement and any other Loan Documents, except to the extent otherwise required pursuant to the terms thereof, may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement. The words "execution," "signed," "signature" and words of like import in any Loan Document shall be deemed to include electronic signatures or the keeping of records in

electronic form, each of which shall be of the same legal effect, validity and enforceability as a manually executed signature or the use of a paper-based recordkeeping systems, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act. Delivery of an executed counterpart of a signature page of any Loan Document by electronic means including by email delivery of a ".pdf" format data file shall be effective as delivery of an original executed counterpart of such Loan Document.

12.10 Confidentiality; Publicity.

(a) In handling any confidential information, Administrative Agent, Collateral Trustee and each Lender agree to hold in confidence and not disclose the Loan Parties' confidential information except as expressly provided herein, and shall exercise the same degree of care that it exercises for its own proprietary information to protect such confidential information, but in no event less than a reasonable degree of care; provided, however that disclosure of information may be made: (a) to its Subsidiaries or Affiliates (such Subsidiaries and Affiliates, together with Administrative Agent, Collateral Trustee, and the Lenders, the "**Lender Entities**"); it being understood and agreed that the Lender Entities shall be bound by the provisions of this Section 12.10); (b) to prospective transferees or purchasers of any interest in the Loans (provided, however, that any prospective transferee or purchaser shall have entered into an agreement containing provisions substantially the same as those in this Section 12.10); (c) as required by law, regulation, subpoena, or other order and in connection with reporting obligations applicable to Administrative Agent, Collateral Trustee or such Lender, including pursuant to the Exchange Act (and the applicable Lender Entity shall provide notice thereof to the Loan Parties (to the extent permitted by applicable law)), (d) to Administrative Agent, Collateral Trustee or such Lender's regulators or as otherwise required in connection with any examination or audit; (e) as Administrative Agent, Collateral Trustee or such Lender considers appropriate in connection with the exercise of remedies with respect to the Obligations; and (f) to third-party service providers of Administrative Agent, Collateral Trustee or such Lender so long as such service providers are bound by confidentiality terms not more permissive than the terms hereof. Confidential information does not include information that is either: (i) in the public domain or in Administrative Agent, Collateral Trustee or any Lender's possession when disclosed to Administrative Agent, Collateral Trustee or such Lender, as applicable, or becomes part of the public domain (other than as a result of its disclosure by Administrative Agent, Collateral Trustee or such Lender in violation of this Agreement) after disclosure to Administrative Agent, Collateral Trustee or such Lender, as applicable; or (ii) disclosed to Administrative Agent, Collateral Trustee or such Lender by a third party, if Administrative Agent, Collateral Trustee or such Lender, as applicable, does not know that the third party is prohibited from disclosing the information. The provisions of this paragraph shall survive the termination of this Agreement.

(b) No party hereto shall publicize or use another party's name or logo, or hyperlink to such other parties' website, describe the relationship of the parties or the transaction contemplated by this Agreement, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "**Publicity Materials**") without prior written notice to the party that is the subject of the proposed Publicity Materials, together with a draft (or, if Publicity Materials are not proposed to be delivered in written form, an outline of the content to be included) so as to provide such subject party a reasonable opportunity to review prior to publication, and each party agrees, in connection with any Publicity Materials proposed by such party to reasonably consider requested changes or corrections requested by the party that is the subject of such Publicity Materials in good faith, and upon request, to provide the final form prior to publication or other dissemination.

12.11 Borrower Representative. Each of the Borrowers hereby appoints Borrower Representative to act as its exclusive agent for all purposes under the Loan Documents (including, without limitation, with respect to all matters related to the borrowing and repayment of any Loan). Each of the Borrowers acknowledges and agrees that (a) Borrower Representative may execute such documents on behalf of any Borrower as Borrower Representative deems appropriate in its sole discretion and each Borrower shall be bound by and obligated by all of the terms of any such document executed by Borrower Representative on its behalf, (b) any notice or other communication delivered hereunder to Borrower Representative shall be deemed to have been delivered to each Borrower and (c) Administrative Agent, Collateral Trustee and any Lender shall accept (and shall be permitted to rely on) any document or agreement executed by Borrower Representative on behalf of Borrowers (or any of them). Each Borrower must act through the Borrower Representative for all purposes under this Agreement and the other Loan Documents. Notwithstanding anything contained herein to the contrary, to the extent any provision in this Agreement requires any Borrower to interact in any manner with Administrative Agent, Collateral Trustee or any Lender, such Borrower shall do so through Borrower Representative.

12.12 Captions. The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

12.13 Construction of Agreement. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

12.14 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. The parties do not intend to create any agency, partnership, joint venture, trust, fiduciary or other relationship with duties or incidents different from those of parties to an arm's-length contract.

12.15 Third Parties. Nothing in this Agreement, whether express or implied, is intended to: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons other than the express parties to it and their respective permitted successors and assigns; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any party to this Agreement.

12.16 Appointment of Collateral Trustee

(a) Each Lender hereby appoints Collateral Trustee to act on behalf of the Secured Parties as collateral trustee under this Agreement and the other Loan Documents, and to hold and enforce any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, all in accordance with the terms of the Collateral Trust Agreement. The provisions of this Section 12.16 are solely for the benefit of Collateral Trustee, Administrative Agent and Lenders and no Loan Party nor any other Person shall have any rights as a third-party beneficiary of any of the provisions hereof. Collateral Trustee shall not have any duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents, together with such powers as are reasonably related thereto. The duties of Collateral Trustee shall be mechanical and administrative in nature and Collateral Trustee shall not have, or be deemed to have, by reason of this Agreement any other Loan Document or otherwise a fiduciary relationship in respect of any Lender. The Collateral Trustee may resign or be removed or replaced, and a successor Collateral Trustee may be appointed in accordance with the terms and subject to the conditions of the Collateral Trust Agreement.

(b) Each Lender hereby agrees that upon receipt of instruction from the Administrative Agent, Collateral Trustee shall be entitled to take or refrain from taking such action, and shall be entitled to take all such actions set forth in the Collateral Trust Agreement.

(c) Neither Collateral Trustee nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for damages solely caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limitation of the generality of the foregoing, Collateral Trustee: (i) may consult with legal counsel, independent chartered accountants and other experts and consultants selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, experts or consultants; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Loan Party or to inspect the Collateral (including the books and records) of any Loan Party; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by email, telecopy, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

12.17 Appointment of Administrative Agent.

(a) Each Lender hereby appoints Administrative Agent to act on behalf of Lenders as administrative agent under this Agreement and the other Loan Documents. The provisions of this Section 12.17 are

solely for the benefit of Administrative Agent and Lenders and no Loan Party nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement, Administrative Agent does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Loan Party or any other Person. Administrative Agent shall not have any duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents, together with such powers as are reasonably related thereto. The duties of Administrative Agent shall be mechanical and administrative in nature and Administrative Agent shall not have, or be deemed to have, by reason of this Agreement, any other Loan Document or otherwise a fiduciary relationship in respect of any Lender.

(b) If Administrative Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Loan Document, then Administrative Agent shall be entitled to refrain from such act or taking such action unless and until it shall have received instructions from the Required Lenders, and Administrative Agent shall incur no liability to any Person by reason of so refraining. Administrative Agent shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document for any reason. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Administrative Agent as a result of Administrative Agent's acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of Lenders.

(c) Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective related parties. The exculpatory provisions of this Section 12.17 shall apply to any such sub-agent and to the related parties of such Administrative Agent and any such sub-agent. No Administrative Agent shall be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that such Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

(d) Neither Administrative Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for damages solely caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limitation of the generality of the foregoing, Administrative Agent: (i) may consult with legal counsel, independent chartered accountants and other experts and consultants selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, experts or consultants; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Loan Party or to inspect the Collateral (including the books and records) of any Loan Party; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (v) shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by email, telecopy, telegram, cable or telex) believed by it to be genuine and signed or sent by the proper party or parties.

(e) With respect to its Commitments and Loans hereunder, Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any other Lender and may exercise the same as though it were not Administrative Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Administrative Agent in its individual capacity (to the extent it holds any Obligations owing to Lenders or Commitments hereunder). Administrative Agent and each of its Affiliates may lend money to, invest in, and generally engage in any kind of business with, any Loan Party, any of their Affiliates and any Person who may do business with or own securities of any Loan Party or any such Affiliate, all as if Administrative Agent was not Administrative Agent and without any duty to account therefor to Lenders. Administrative Agent and its Affiliates may accept fees and other consideration from any Loan Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

(f) Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender, made its own credit and financial analysis of the Loan Parties and its own

decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Each Lender acknowledges the potential conflict of interest of each other Lender as a result of Lenders holding disproportionate interests in the Loans, and expressly consents to, and waives any claim based upon, such conflict of interest.

(g) Each Lender agrees to indemnify Administrative Agent (to the extent not reimbursed by Loan Parties and without limiting the obligations of Loan Parties hereunder), ratably according to its respective Pro Rata Share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Administrative Agent in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted by Administrative Agent in connection therewith; provided, however, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from Administrative Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the foregoing, each Lender agrees to reimburse Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable and documented counsel fees) incurred by Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and each other Loan Document, to the extent that Administrative Agent is not reimbursed for such expenses by the Loan Parties.

(h) Administrative Agent may resign at any time by giving not less than thirty (30) days' prior written notice thereof to Lenders, Collateral Trustee and Borrower Representative. Upon any such resignation, Lenders shall have the right to appoint a successor Administrative Agent that may be the Collateral Trustee. If no successor Administrative Agent shall have been so appointed by Lenders and shall have accepted such appointment within thirty (30) days after Administrative Agent's giving notice of resignation, then Administrative Agent may, on behalf of Lenders, appoint a successor Administrative Agent, which shall be a Lender or Collateral Trustee, if a Lender or Collateral Trustee is willing to accept such appointment, or otherwise shall be a commercial bank or financial institution or a subsidiary of a commercial bank or financial institution if such commercial bank or financial institution has combined capital of at least Three Hundred Million Dollars ($300,000,000.00). If no successor Administrative Agent has been appointed pursuant to the foregoing, by the 30th day after the date such notice of resignation was given by the resigning Administrative Agent, such resignation shall become effective and Lenders shall thereafter perform all the duties of Administrative Agent hereunder until such time, if any, as Lenders appoint a successor Administrative Agent as provided above. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent. Upon the earlier of the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent or the effective date of the resigning Administrative Agent's resignation, the resigning Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents, except that any indemnity, expense reimbursement or other rights in favor of such resigning Administrative Agent shall continue. After any resigning Administrative Agent's resignation hereunder, the provisions of this Section 12.17 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents. Notwithstanding the foregoing, as long as K2 HealthVentures LLC is a Lender pursuant to this Agreement, K2 HealthVentures LLC shall not resign as Administrative Agent unless a successor Administrative Agent is appointed concurrently with such resignation, which successor Administrative Agent shall have the wherewithal to perform, and shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Administrative Agent under this Agreement and the other Loan Documents.

(i) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default, with the prior written consent of Administrative Agent, each Lender and each holder of any Obligation is hereby authorized at any time or from time to time, without notice to any Loan Party or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all balances held by it at any of its offices for the account of any Loan Party or any Subsidiary of a Loan Party (regardless of whether such balances are then due to such Loan Party or such Subsidiary) and any other properties or assets any time held or owing by that Lender or that holder to or for the credit or for the account of any Loan Party or any Subsidiary of a Loan Party against and on account of any of the Obligations which are not paid when due. Any Lender or holder of any Obligation exercising a right to set

off or otherwise receiving any payment on account of the Obligations in excess of its Pro Rata Share thereof in accordance with the terms of this Agreement relating to the priority of the repayment of the Obligations shall purchase for cash (and the other Lenders or holders shall sell) such participations in each such other Lender's or holder's Pro Rata Share of the Obligations as would be necessary to cause such Lender to share the amount so set off or otherwise received with each other Lender or holder in accordance with their respective Pro Rata Shares and in accordance with the terms of this Agreement relating to the priority of the repayment of the Obligations. Each Loan Party agrees, to the fullest extent permitted by law, that (i) any Lender or holder may exercise its right to set off with respect to amounts in excess of its Pro Rata Share of the Obligations and may sell participations in such amount so set off to other Lenders and holders and (ii) any Lender or holders so purchasing a participation in the Loans made or other Obligations held by other Lenders or holders may exercise all rights of set-off, bankers' Lien, counterclaim or similar rights with respect to such participation as fully as if such Lender or holder were a direct holder of the Loans and the other Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the set-off amount or payment otherwise received is thereafter recovered from Lender that has exercised the right of set-off, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest.

(j) Nothing in this Agreement or the other Loan Documents shall be deemed to require Administrative Agent to advance funds on behalf of any Lender or to relieve any Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Borrowers may have against any Lender as a result of any default by such Lender hereunder. To the extent that Administrative Agent advances funds to Borrowers on behalf of any Lender and is not reimbursed therefor on the same Business Day as such advance is made, Administrative Agent shall be entitled to retain for its account all interest accrued on such advance until reimbursed by the applicable Lender.

(k) If Administrative Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Administrative Agent from Borrowers and such related payment is not received thereby, then Administrative Agent will be entitled to recover such amount from such Lender on demand without set-off, counterclaim or deduction of any kind.

(l) If Administrative Agent determines at any time that any amount received thereby under this Agreement shall be returned to Borrowers or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Administrative Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Administrative Agent on demand any portion of such amount that Administrative Agent has distributed to such Lender, together with interest at such rate, if any, as Administrative Agent is required to pay to Borrowers or such other Person, without set-off, counterclaim or deduction of any kind.

(m) Administrative Agent will use reasonable efforts to provide Lenders with any written notice of Event of Default received by Administrative Agent from, or delivered by Administrative Agent to, any Loan Party; provided, however, that Administrative Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable solely to Administrative Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction.

(n) Anything in this Agreement or any other Loan Document to the contrary notwithstanding, each Lender hereby agrees with each other Lender and with Administrative Agent that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or any other Loan Document (including exercising any rights of set-off) without first obtaining the prior written consent of the Required Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the other Loan Documents shall be taken in concert and at the direction or with the consent of Administrative Agent at the request of Required Lenders.

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[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Closing Date.

BORROWER:

ACUMEN PHARMACEUTICALS, INC.

By /s/ Matt Zuga
Name: Matt Zuga
Title: Chief Financial Officer

[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

COLLATERAL TRUSTEE:

ANKURA TRUST COMPANY, LLC

By /s/ Beth Micena
Name: Beth Micena
Title: Managing Director

[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

ADMINISTRATIVE AGENT:

K2 HEALTHVENTURES LLC

By /s/ Parag Shah
Name: Parag Shah
Title: Chief Executive Officer

LENDER:

K2 HEALTHVENTURES LLC

By /s/ Parag Shah
Name: Parag Shah
Title: Chief Executive Officer

EXHIBIT A

DEFINITIONS

As used in this Agreement, the following capitalized terms have the following meanings:

"**Account**" means any "account" as defined in the Code with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to a Loan Party.

"**Account Control Agreement**" means any control agreement entered into among the depository institution at which a Loan Party maintains a Deposit Account or the securities intermediary or commodity intermediary at which a Loan Party maintains a Securities Account or a Commodity Account, one or more Loan Parties, and Collateral Trustee pursuant to which Collateral Trustee, for the benefit of Secured Parties, obtains control (within the meaning of the Code) over such Deposit Account, Securities Account, or Commodity Account.

"**Account Debtor**" means any "account debtor" as defined in the Code with such additions to such term as may hereafter be made.

"**Act**" means the Securities Act of 1933, as amended.

"**Administrative Agent**" has the meaning set forth in the preamble of this Agreement.

"**Affiliate**" means, with respect to any Person, each other Person that owns or controls, directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Agreement**" has the meaning set forth in the preamble of this Agreement.

"**Amortization Date**" means July 1, 2026, provided that if (i) no Event of Default has occurred and is continuing, and (ii) upon the occurrence of the Extension Milestone Event, the Amortization Date shall be January 1, 2027.

"**Anti-Terrorism Order**" means Executive Order No. 13,224 as of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49,079 (2001), as amended.

"**Applicable Rate**" means a variable annual rate equal to the greater of (i) nine and sixty-five hundredths of one percent (9.65%) and (ii) the sum of (A) the Prime Rate, plus (B) one and fifteen hundredths of one percent (1.15%).

"**Automatic Payment Authorization**" means the Automatic Payment Authorization in substantially the form of Exhibit F.

"**Board**" means, with respect to any Person, the board of directors, board of managers, managers or other similar bodies or authorities performing similar governing functions for such Person.

"**Books**" are all of each applicable Loan Party's books and records including ledgers, federal and state tax returns, records regarding such Loan Party's assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"**Borrower**" and "**Borrowers**" has the meaning set forth in the preamble of this Agreement.

"**Borrower Representative**" has the meaning set forth in the preamble of this Agreement.

"**Business Day**" means any day that is not a Saturday, Sunday or a day on which commercial banks in the State of New York are required or permitted to be closed.

"**Cash Equivalents**" means (a) marketable direct obligations issued or unconditionally guaranteed by the United States or any agency or any State thereof having maturities of not more than one (1) year from the date of acquisition; (b) commercial paper maturing no more than one (1) year after its creation and having the highest rating from either Standard & Poor's Ratings Group or Moody's Investors Service, Inc.; (c) certificates of deposit issued by any bank with assets of at least Five Hundred Million Dollars ($500,000,000.00) maturing no more than one year from the date of investment therein; and (d) money market funds at least ninety-five percent (95%) of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (c) of this definition.

"**CFC**" means a "controlled foreign corporation" within the meaning of Section 957 of the Internal Revenue Code.

"**Change in Control**" means any of the following (or any combination of the following) whether arising from any single transaction event or series of related transactions or events that, individually or in the aggregate, result in: (a)any "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of a sufficient number of Equity Interests of Borrower Representative ordinarily entitled to vote in the election of directors, empowering such "person" or "group" to elect a majority of the members of the Board of Borrower Representative, who did not have such power before such transaction; (b) the Transfer of all or substantially all assets of Borrowers, taken as a whole or of a material business line of Borrowers, taken as a whole; or (c) Borrower Representative ceasing to own and control, free and clear of any Liens (other than Permitted Liens), directly or indirectly, all of the Equity Interests in each of its Subsidiaries (other than director's qualifying shares or similar equity interests required by applicable law) or failing to have the power to direct or cause the direction of the management and policies of each such Subsidiary (other than pursuant to a transaction not otherwise prohibited hereunder).

"**Claims**" has the meaning set forth in Section 12.3.

"**Class**" means, at the election of the Lenders in their sole discretion, (i) Common Stock, or (ii) the Next Qualified Financing Series.

"**Closing Date**" has the meaning set forth in the preamble of this Agreement.

"**Code**" means the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided, that, to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Collateral Trustee's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "**Code**" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

"**Collateral**" means any and all properties, rights and assets of each Loan Party described on Exhibit B, and any other collateral securing the Obligations pursuant to any other Loan Document, if any.

"**Collateral Access Agreement**" means an agreement with respect to a Loan Party's leased location or bailee location, in each case in form and substance reasonably satisfactory to Administrative Agent and Collateral Trustee.

"**Collateral Account**" means any Deposit Account, Securities Account, or Commodity Account of a Loan Party.

"**Collateral Trust Agreement**" means that certain Collateral Trust Agreement, dated as of the Closing Date, between Collateral Trustee and Administrative Agent, as amended, restated, supplemented or otherwise modified from time to time.

"**Collateral Trustee**" has the meaning set forth in the preamble of this Agreement.

"**Commitment**" means, as to any Lender, the aggregate principal amount of Loans committed to be made by such Lender, as set forth on Schedule 1 hereto.

"**Commodity Account**" means any "commodity account" as defined in the Code with such additions to such term as may hereafter be made.

"**Common Stock**" means the common stock, $0.0001 par value per share, of Borrower Representative, and any other class, series or other type of security into or for which the outstanding shares of such common stock may be converted, exchanged or substituted.

"**Compliance Certificate**" means that certain certificate in the form attached hereto as Exhibit D.

"**Contingent Obligation**" means, for any Person, any direct or indirect liability, contingent or not, of that Person for (a) any indebtedness, lease, dividend, letter of credit or other obligation of another such as an obligation, in each case, directly or indirectly guaranteed, endorsed, co-made, discounted or sold with recourse by that Person, or for which that Person is directly or indirectly liable; (b) any obligations for undrawn letters of credit for the account of that Person; and (c) all obligations from any interest rate, currency or commodity swap agreement, interest rate cap or collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices. The amount of a Contingent Obligation is the stated or determined amount of the primary obligation for which the Contingent Obligation is made or, if not determinable, the maximum reasonably anticipated liability for it determined by the Person in good faith; but the amount may not exceed the maximum of the obligations under any guarantee or other support arrangement.

"**Conversion Amount**" has the meaning set forth in Section 2.2(e)(i).

"**Conversion Election Notice**" means a notice in the form attached hereto as Exhibit H.

"**Conversion Price**" means, at the election of the Lenders in their sole discretion, (i) $2.53, or (ii) the Next Qualified Financing Price; provided that in the event that on or after the Closing Date, a stock split, stock combination, reclassification, payment of stock dividend, recapitalization or other similar transaction of such character that the shares of Common Stock shall be changed into or become exchangeable for a larger or small number of shares is consummated (each, a "**Stock Event**"), the Conversion Price shall be proportionately increased or decreased as necessary to reflect the proportionate change in shares of Common Stock issued and outstanding as a result of such Stock Event.

"**Conversion Shares**" has the meaning set forth in Section 2.2(e)(i).

"**Copyrights**" means any and all copyright rights, copyright applications, copyright registrations and like protections of a Person in each work of authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

"**Default**" means any circumstance, event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"**Default Rate**" has the meaning set forth in Section 2.3(b).

"**Deposit Account**" means any "deposit account" as defined in the Code with such additions to such term as may hereafter be made, and includes any checking account, savings account or certificate of deposit.

"**Designated Holder**" means a Lender or any Affiliate designated by a Lender in the Conversion Election Notice with respect to any exercise of a right to invest pursuant hereto, provided that the Designated Holder for K2 HealthVentures LLC and any successor, transferee or assignee thereof as Lender, which is an affiliate of K2 HealthVentures LLC, shall be K2 HealthVentures Equity Trust LLC.

"**Dollars**," "**dollars**" or use of the sign "**$**" means only lawful money of the United States and not any other currency, regardless of whether that currency uses the "$" sign to denote its currency or may be readily converted into lawful money of the United States.

"**Equipment**" means all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**Equity Interests**" means, with respect to any Person, any of the shares of capital stock of (or other ownership, membership or profit interests in) such Person, any of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership, membership or profit interests in) such Person, any of the securities convertible into or exchangeable for shares of capital stock of (or other ownership, membership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and any of the other ownership, membership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, and its regulations.

"**Event of Default**" has the meaning set forth in Section 8.

"**Exchange Act**" means the US Securities Exchange Act of 1934, as amended (or any successor statute).

"**Excluded Account**" means (i) any Deposit Account used exclusively for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of such Loan Party's employees and identified to Administrative Agent as such in the Perfection Certificate or following the Closing Date in the Compliance Certificate, provided that the aggregate balance maintained in such account shall not exceed the aggregate amount of payroll, payroll taxes and other employee wage and benefit payments to be made in the then next payroll period and (ii) Collateral Accounts identified to Administrative Agent in the Perfection Certificate or following the Closing Date in the Compliance Certificate in an aggregate amount (for all such accounts together) not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) for any consecutive five (5) day period during any calendar month (such accounts, the "**Permitted Collateral Accounts**").

"**Excluded Assets**" means, collectively, with respect to any Loan Party:

(a) any property to the extent that (A) such grant of security interest is prohibited by any Requirement of Law of a Governmental Authority or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document evidencing or giving rise to such property, except to the extent that such Requirement of Law or the term in such contract, license, agreement, instrument or other document providing for such prohibition, breach, default or termination or requiring such consent is ineffective under Section 9-406, 9-407, 9-408 or 9-409 of the Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the United States Bankruptcy Code) or principles of equity, or (B) such permit, license, lease, contract or agreement is an "off the shelf" license of intellectual property that is not material to the operation of the business of a Loan Party or which can be replaced without a material expenditure; provided, however, that such security interest shall attach immediately at such time as such Requirement of Law is not effective or applicable, or such prohibition, breach, default or termination is no longer applicable or is waived, and to the extent severable, shall attach immediately to any portion of the Collateral that does not result in such consequences;

(b) any interest of a Loan Party as a lessee or sublessee under a real property lease, an Equipment lease, capitalized lease obligation or any other similar license or agreement if such Loan Party is prohibited by the terms of such lease, Equipment lease, capitalized lease obligations, license or agreement from granting a security interest in such lease, Equipment lease, capitalized lease agreement or other such license or under which such an assignment or Lien would cause a default to occur under such lease, Equipment lease, capitalized lease obligation or such other license (but only to the extent that such prohibition is enforceable under all applicable laws including, without limitation, the Code); provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by the Loan Parties or Secured Parties;

(c) motor vehicles and other assets subject to a certificate of title; and

(d) more than sixty-five percent (65.0%) the Equity Interests of any CFC owned by a Borrower to the extent that a pledge of more than sixty-five percent (65.0%) would result in material adverse tax consequences to the Loan Parties.

"**Excluded Locations**" means the following locations where Collateral may be located from time to time: (a) locations where mobile office equipment (e.g. laptops, mobile phones and the like) may be located with employees in the Ordinary Course of Business, and (b) other locations where, in the aggregate for all such locations, less than Two Hundred Fifty Thousand Dollars ($250,000.00) of Collateral is located.

"Extension Milestone Event" means that Administrative Agent has confirmed in writing that Administrative Agent has received, after the Closing Date, but no later than June 30, 2026, evidence satisfactory to Administrative Agent in its sole discretion that after the Closing Date, but on or prior to June 30, 2026, Borrower Representative has received at least Fifty Million Dollars ($50,000,000.00) of net cash proceeds from a single equity financing or a single business development transaction.

"**Federal Reserve Board**" means the Board of Governors of the Federal Reserve System, or any successor thereto.

"**Fee Letter**" means that certain letter agreement, dated as of the date hereof, by and among Borrowers, Administrative Agent and Lenders, as amended, restated, supplemented or otherwise modified from time to time.

"**First Tranche Term Loan Commitment**" means, as to any Lender, the aggregate principal amount of the First Tranche Term Loan committed to be made by such Lender, as set forth on Schedule 1 hereto.

"**Funding Date**" means any date on which a Loan is made to or for the account of a Borrower which shall be a Business Day.

"**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination, provided, however, that if there occurs after the Closing Date any change in GAAP that affects in any respect the calculation of any covenant or threshold in this Agreement, Lenders and Borrower Representative shall negotiate in good faith amendments to the provisions of this Agreement that relate to the calculation of such covenant or threshold with the intent of having the respective positions of Lender and Borrowers after such change in GAAP conform as nearly as possible to their respective positions as of the Closing Date, and, until any such amendments have been agreed upon, such covenants and thresholds shall be calculated as if no such change in GAAP has occurred.

"**General Intangibles**" means all "general intangibles" as defined in the Code in effect on the Closing Date with such additions to such term as may hereafter be made, and includes without limitation, all Intellectual Property, claims, income and other tax refunds, security and other deposits, payment intangibles, contract rights, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract,

tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

"**Governmental Approval**" means any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority, including for the testing, manufacturing, marketing and sales of its Product.

"**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

"**Guarantor**" means any Person providing a Guaranty with respect to the Obligations or providing collateral, security or other credit support for all or any portion of the Obligations.

"**Guaranty**" means any guarantee of all or any part of the Obligations, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"**Indebtedness**" means, without duplication, (a) indebtedness for borrowed money or the deferred price of property or services, (b) any reimbursement and other obligations for surety bonds and letters of credit, (c) obligations evidenced by notes, bonds, debentures or similar instruments, (d) capital lease obligations, and (e) Contingent Obligations.

"**Indemnified Person**" has the meaning set forth in Section 12.3.

"**Insolvency Proceeding**" means any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief.

"**Intellectual Property**" means, with respect to any Loan Party (or, as applicable, any of its Subsidiaries), all of such Loan Party's or Subsidiary's right, title, and interest in and to the following:

(a) its Copyrights, Trademarks and Patents;

(b) any and all trade secrets and trade secret rights, including, without limitation, any rights to unpatented inventions, know-how, operating manuals;

(c) any and all source code;

(d) any and all design rights which may be available to such Person;

(e) any and all claims for damages by way of past, present and future infringement of any of the foregoing, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the Intellectual Property rights identified above; and

(f) all amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents.

"**Internal Revenue Code**" means the Internal Revenue Code of 1986, as amended.

"**Inventory**" means all "inventory" as defined in the Code in effect on the Closing Date with such additions to such term as may hereafter be made.

"**Investment**" means any beneficial ownership interest in any Person (including stock, partnership interest or other securities or Equity Interests), and any loan, advance or capital contribution to any Person, or the acquisition of all or substantially all of the assets or properties of another Person.

"**Key Person**" means the Chief Executive Officer, Chief Financial Officer, and Chief Medical Officer of Borrower Representative.

"**Lender**" has the meaning set forth in the preamble of this Agreement.

"**Lender Expenses**" means all audit fees and expenses, costs, and expenses (including reasonable and documented attorneys' fees and expenses) of the Secured Parties for preparing, amending, negotiating, administering, defending and enforcing the Loan Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred with respect to a Loan Party, including all costs, expenses and other amounts required to be paid by any Lender or the Administrative Agent in accordance with the Collateral Trust Agreement.

"**Lien**" means a claim, mortgage, deed of trust, levy, charge, pledge, security interest or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" means, collectively, this Agreement and any schedules, exhibits, certificates, notices, and any other documents related to this Agreement, the Warrant, the Fee Letter, the Collateral Trust Agreement, the Automatic Payment Authorization, the Account Control Agreements, the Collateral Access Agreements, any Subordination Agreement, any note, or notes or guaranties executed by a Loan Party, and any other present or future agreement by a Loan Party with or for the benefit of Collateral Trustee or any Lender in connection with this Agreement, all as amended, modified, supplemented, extended or restated from time to time.

"**Loan Party**" or "**Loan Parties**" has the meaning set forth in the preamble of this Agreement.

"**Loan Request**" means a request for a Loan pursuant to this Agreement in substantially the form attached hereto as Exhibit C.

"**Loans**" means, collectively, the Term Loans, and any other loan from time to time made under this Agreement, and "**Loan**" means any of the foregoing.

"**Margin Stock**" has the meaning set forth in Section 5.11(b).

"**Material Adverse Effect**" means (a) a material impairment in the perfection or priority of the Lien in the Collateral pursuant to the Loan Documents to which the Loan Parties are a party or in the value of the Collateral; or (b) a material adverse effect upon: (i) the business, operations, properties, assets or condition (financial or otherwise) of the Loan Parties, taken as a whole; (ii) the prospect of repayment of any part of the Obligations; or (iii) the ability to enforce any rights or remedies with respect to any Obligations, in each case, as determined by Administrative Agent.

"**Maximum Rate**" has the meaning set forth in Section 2.3(d) hereof.

"**Next Qualified Financing**" means the first Qualified Financing to be consummated after the Closing Date, whether pursuant to an effective registration statement under the Act or in a transaction (or series of related transactions) exempt from such registration, in which the Company receives aggregate gross proceeds of not less than Twenty Million Dollars ($20,000,000); provided, that if the securities issued by Borrower Representative consist of convertible indebtedness of Borrower Representative (excluding, for the avoidance of doubt, Indebtedness hereunder convertible pursuant to Section 2.2(e) hereof) whose conversion price cannot be determined until the occurrence of a future event, then, at the election of the Lenders, the "Next Qualified Financing" shall be deemed to have occurred only upon actual conversion of such convertible indebtedness.

"**Next Qualified Financing Price**" means the lowest effective cash price per share or security for which securities of the Next Qualified Financing Series are sold or issued by Borrower Representative in the Next Qualified

Financing. For purposes of this definition, in the event that the Lenders elect on any conversion of Loans for the Class to be Common Stock:

(a) if warrants and/or other rights to acquire shares of the Next Qualified Financing Series are issued to the purchasers of shares of the Next Qualified Financing Series in the Next Qualified Financing, whether as part of an investment unit or otherwise, then the lowest effective cash price per share shall equal (A) the sum of (x) the total aggregate gross cash proceeds received by Borrower Representative from the sale and issuance of all shares of the Next Qualified Financing Series in the Next Qualified Financing and all such warrants and/or other rights, and (y) the total aggregate exercise price or other purchase price payable under all such warrants and/or other rights, divided by (B) the sum of (x) the total aggregate number of shares of the Next Equity Financing Series issued by Borrower Representative in the Next Qualified Financing, and (y) the total aggregate number of shares of Next Qualified Financing Series issuable on exercise of all such warrants and/or other rights; and

(b) without duplication of clause (i) above, if warrants and/or other rights to acquire shares of Common Stock are issued to the purchasers of shares of the Next Qualified Financing Series in the Next Qualified Financing, whether as part of an investment unit or otherwise, then the lowest effective cash price per share shall equal (A) the sum of (x) the total aggregate gross cash proceeds received by Borrower Representative from the sale and issuance of all shares of the Next Qualified Financing Series and all such warrants and/or other rights, and (y) the total aggregate exercise price or other purchase price payable under all such warrants and/or other rights, divided by (B) the sum of (x) the total aggregate number of shares of Common Stock issuable on conversion of the shares of the Next Qualified Financing Series issued by Borrower Representative in the Next Qualified Financing, and (y) the total aggregate number of shares of Common Stock issuable on exercise of all such warrants and/or other rights.

"**Next Qualified Financing Series**" means the class and series of the capital stock and/or other equity security of Borrower Representative sold and issued by Borrower Representative in the Next Qualified Financing. For the avoidance of doubt, if in the Next Qualified Financing Borrower Representative sells and issues to the purchasers therein securities consisting of one or more shares of capital stock plus one or more warrants or other rights to purchase or acquire shares of capital stock, whether as part of an investment unit or not, then "Next Qualified Financing Series" shall be deemed to include such share(s) of capital stock and such warrant(s) or other right(s) in such proportion as sold and issued to such purchasers.

"**Obligations**" means all of Borrowers' and each other Loan Party's obligations to pay the Loans when due, including principal, interest, fees, Lender Expenses, the fees pursuant to the Fee Letter, and any other amounts due to be paid by a Loan Party, and each Loan Party's obligation to perform its duties under the Loan Documents (other than the Warrant), and any other debts, liabilities and other amounts any Loan Party owes to any Lender at any time, whether under the Loan Documents or otherwise (but excluding obligations arising under the Warrant), including, without limitation, interest or Lender Expenses accruing after Insolvency Proceedings begin (whether or not allowed), and any debts, liabilities, or obligations of any Loan Party assigned to any Lender, which shall be treated as secured or administrative expenses in the Insolvency Proceedings to the extent permitted by applicable law.

"**OFAC**" has the meaning set forth in Section 5.11(c).

"**Operating Documents**" means, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of formation, organization or incorporation on a date that is no earlier than thirty (30) days prior to the Closing Date and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement or operating agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments, restatements and modifications thereto.

"**Ordinary Course of Business**" means, in respect of any transaction involving any Person, the ordinary course of such Person's business as conducted by any such Person in accordance with (a) the usual and customary customs and practices in the kind of business in which such Person is engaged, and (b) the past practice and operations of such Person, and in each case, undertaken by such Person in good faith and not for purposes of evading any covenant or restriction in any Loan Document.

"**Patents**" means all patents, patent applications and like protections of a Person including without limitation improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same and all rights therein provided by international treaties or conventions.

"**Payment Date**" means the first calendar day of each month.

"**Perfection Certificate**" has the meaning set forth in Section 3.1(e).

"**Permitted Collateral Accounts**" has the meaning set forth in the definition of Excluded Accounts.

"**Permitted Distributions**" has the meaning set forth in Section 7.7.

"**Permitted Indebtedness**" means:

(a) each Loan Party's Indebtedness under this Agreement and the other Loan Documents;

(b) Indebtedness existing on the Closing Date and shown on the Perfection Certificate, provided that (i) to the extent the amount of such type of Indebtedness is limited pursuant to a clause of this defined term, amounts existing on the Closing Date or any permitted refinancing thereof shall count towards such limit, (ii) to the extent such Indebtedness is required to be repaid on the Closing Date, in accordance with a payoff letter delivered as a condition to closing, such Indebtedness shall not constitute Permitted Indebtedness after such repayment, and (iii) to the extent any such Indebtedness is required to be made subject to the terms of a Subordination Agreement as of the Closing Date or thereafter, pursuant to the terms of this Agreement, such Indebtedness shall be permitted only to the extent the applicable Subordination Agreement is in effect;

(c) Subordinated Debt;

(d) unsecured Indebtedness to trade creditors incurred in the Ordinary Course of Business;

(e) Indebtedness incurred as a result of endorsing negotiable instruments received in the Ordinary Course of Business;

(f) Indebtedness secured by Liens permitted under clause (c) of the definition of "Permitted Liens" hereunder;

(g) Indebtedness incurred in connection with the financing of insurance premiums in the Ordinary Course of Business in an aggregate amount at any time not to exceed the premiums owed under such policy;

(h) Indebtedness incurred in connection with cash management services, including corporate credit cards, incurred in the Ordinary Course of Business, in an aggregate amount not to exceed Five Hundred Thousand Dollars ($500,000.00) at any time;

(i) unsecured Indebtedness arising from honoring a bank or other financing institution of a check, draft or similar instrument drawn against insufficient funds in the Ordinary Course of Business, provided that such Indebtedness is extinguished within two (2) Business Days of notice to the applicable Loan Party or its Subsidiary of its incurrence;

(j) other unsecured Indebtedness (specifically excluding Indebtedness with respect to cash management services, including corporate credit cards) not otherwise permitted pursuant to this defined term, in an aggregate amount outstanding not to exceed Five Hundred Thousand Dollars ($500,000.00); and

(k) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness described in clause (b) above, provided that the principal amount thereof is not

increased or the terms thereof are not modified to impose more burdensome terms upon a Borrower or any of its Subsidiaries, as the case may be, provided that nothing in this definition or otherwise in this Agreement or any other Loan Document shall (x) be construed as evidencing an intention or agreement on the part of the Collateral Trustee that the Collateral Trustee's Liens or the Obligations be or have been subordinated to any Permitted Liens, or (y) cause any such subordination to occur.

"**Permitted Investments**" means:

(a) Investments (including, without limitation, Subsidiaries) existing on the Closing Date and shown on the Perfection Certificate;

(b) (i) Investments consisting of the Permitted Collateral Accounts, (ii) Investments consisting of Cash Equivalents, and (iii) any Investments permitted by Borrower Representative's investment policy, as amended from time to time, provided that such investment policy (and any such amendment thereto) has been approved in writing by Lenders;

(c) Investments consisting of repurchases of Borrower Representative's Equity Interests from former employees, officers and directors of Borrower Representative to the extent permitted under Section 7.7;

(d) (i) Investments among Loan Parties, (ii) Investments among Subsidiaries that are not Loan Parties, and (iii) Investments by Loan Parties in Subsidiaries which are not Loan Parties, in the case of this clause (iii), in an aggregate amount per fiscal year not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00);

(e) Investments not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) outstanding in the aggregate at any time consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the Ordinary Course of Business, and (ii) loans not involving the net transfer of cash proceeds to employees, officers or directors relating to the purchase of Equity Interests of Borrower Representative pursuant to employee stock purchase plans or other similar agreements approved by Borrower Representative's Board;

(f) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the Ordinary Course of Business;

(g) Investments consisting of Deposit Accounts (other than the Permitted Collateral Accounts) as to which the Collateral Trustee has a first priority perfected security interest if and to the extent required by the terms of this Agreement;

(h) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the Ordinary Course of Business;

(i) Investments not otherwise permitted pursuant to this defined term, in an aggregate amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) per fiscal year; and

(j) Investments consisting of accounts receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the Ordinary Course of Business; provided that this subsection (j) shall not apply to Investments of a Loan Party in any Subsidiary.

"**Permitted Liens**" means:

(a) Liens arising under this Agreement and the other Loan Documents;

(b) Liens existing on the Closing Date and shown on the Perfection Certificate, provided that (i) to the extent the amount of Indebtedness secured by such type of Lien is limited pursuant to a clause of this defined term, amounts existing on the Closing Date or any permitted refinancing thereof shall count towards such limit, (ii) to the extent the Indebtedness secured by such a Lien is required to be repaid on the Closing Date, in accordance with a payoff letter delivered as a condition to closing, such Lien shall not constitute Permitted Lien after the repayment of the associated Indebtedness, and (iii) to the extent any such Lien is required to be made subject to the terms of a Subordination Agreement as of the Closing Date or thereafter, pursuant to the terms of this Agreement, such Lien shall be permitted only to the extent the applicable Subordination Agreement is in effect;

(c) purchase money Liens and capitalized lease obligations (i) on Equipment acquired or held by a Loan Party or Subsidiary thereof incurred for financing the acquisition of the Equipment, or (ii) existing on Equipment when acquired, if the Lien is confined to the property and improvements and the proceeds of the Equipment, in each case, securing no more than Two Hundred Fifty Thousand Dollars ($250,000.00) in the aggregate amount outstanding;

(d) Liens for taxes, fees, assessments or other government charges or levies, either (i) not yet delinquent or (ii) being contested in good faith and for which such Loan Party or Subsidiary maintains adequate reserves on its books;

(e) leases or subleases of real property granted in the Ordinary Course of Business of such Person, and leases, subleases, non-exclusive licenses or sublicenses of personal property (other than Intellectual Property) granted in the Ordinary Course of Business of such Person;

(f) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the Ordinary Course of Business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed Fifty Thousand Dollars ($50,000.00) and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(g) Liens to secure payment of workers' compensation, employment insurance, old-age pensions, social security and other like obligations incurred in the Ordinary Course of Business (other than Liens imposed by ERISA);

(h) deposits or pledges of cash to secure bids, tenders, contracts (other than contracts for the payment of money), leases, surety and appeal bonds and other obligations of a like nature arising in the Ordinary Course of Business, in an aggregate amount not exceeding Two Hundred Fifty Thousand Dollars ($250,000.00) at any time;

(i) Liens arising from attachments or judgments, orders, or decrees in circumstances not constituting an Event of Default;

(j) Liens in favor of other financial institutions arising in connection with a Deposit Account (other than the Permitted Collateral Accounts) or Securities Account of a Loan Party or Subsidiary thereof held at such institutions, provided that Collateral Trustee has a perfected security interest in such Deposit Account, or the securities maintained therein and Collateral Trustee has received an Account Control Agreement with respect thereto to the extent required pursuant to Section 6.6 of this Agreement;

(k) licenses of Intellectual Property which constitute a Permitted Transfer;

(l) Liens granted in the Ordinary Course of Business in connection with the financing of insurance premiums securing Indebtedness permitted by clause (i) of the definition of Permitted Indebtedness;

(m) easements, rights of way, restrictions and other similar encumbrances on real property and imposed by applicable laws and encumbrances consisting of zoning or building restrictions, easements, licenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material, and which do not in any case materially detract from the value of the property subject thereto or interfere with the Ordinary Course of Business;

(n) Liens securing any overdraft and related liabilities arising from treasury, depository or cash management services or automated clearing house transfer of funds in the Ordinary Course of Business;

(o) Liens arising from the filing of any precautionary financing statement on operating leases covering the leased property, to the extent such operating leases are permitted under this Agreement;

(p) Liens on cash collateral maintained in a separate Collateral Account exclusively for such purpose and identified to Administrative Agent as such, securing reimbursement obligations in connection with cash management services permitted under clause (h) of the definition of "Permitted Indebtedness";

(q) Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in clause (b), but any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness may not increase.

"**Permitted Locations**" means, collectively, the following locations where Collateral may be located from time to time: (a) locations identified in the Perfection Certificate, (b) locations with respect to which Borrowers have complied with the requirements of Section 6.11, and (c) Excluded Locations.

"**Permitted Transfers**" means

(a) sales of Inventory by a Loan Party or any of its Subsidiaries in the Ordinary Course of Business;

(b) licenses and similar arrangements for the use of Intellectual Property of a Loan Party or any of its Subsidiaries in the Ordinary Course of Business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive with respect to territory only as to specific geographical regions outside of the United States, and so long as after giving effect to such license, the Loan Parties and their Subsidiaries retain sufficient rights to use the subject Intellectual Property so as to enable them to continue to conduct their business in the Ordinary Course of Business and without material impairment of the value of the subject Intellectual Property;

(c) dispositions of worn-out, obsolete or surplus Equipment in the Ordinary Course of Business that is, in the reasonable judgment of such Loan Party or Subsidiary, no longer economically practicable to maintain or useful;

(d) Transfers consisting of the granting of Permitted Liens, the making of Permitted Investments and the making of Permitted Distributions pursuant to the terms of Section 7.7 hereof;

(e) the use or transfer of money or Cash Equivalents in the Ordinary Course of Business and in a manner that is not prohibited by the Loan Documents;

(f) other Transfers of assets having a fair market value of not more than Two Hundred Fifty Thousand Dollars ($250,000.00) per fiscal year of Borrower Representative; and

(g) Transfers consisting of a Loan Party or any of its Subsidiaries forgiving (completely or partially), compromising, or settling any Account for less than payment in full, so long as (i) such Loan Party or its Subsidiary does so in good faith, in a commercially reasonable manner, in the Ordinary Course of Business, in arm's-length transactions, (ii) such forgiven, compromised, or settled amount does not exceed Two Hundred Fifty Thousand Dollars ($250,000.00) individually or Five Hundred Thousand Dollars

($500,000.00) in the aggregate (unless otherwise approved by Administrative Agent in writing in its sole discretion) in any fiscal year and (iii) no Event of Default has occurred and is continuing;

"**Person**" means any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

"**Prepayment Notice**" is defined in Section 2.2(d).

"**Prime Rate**" means, at any time, the rate of interest noted in The Wall Street Journal, Money Rates section, as the "Prime Rate". In the event that The Wall Street Journal quotes more than one rate, or a range of rates, as the Prime Rate, then the Prime Rate shall mean the average of the quoted rates. In the event that The Wall Street Journal ceases to publish a Prime Rate, then the Prime Rate shall be the average of the three (3) largest U.S. money center commercial banks, as determined by Lenders.

"**Pro Rata Share**" means, with respect to any Lender and as of any date of determination, the percentage obtained by dividing (i) the aggregate Commitments of such Lender by (ii) the aggregate Commitments of all Lenders provided, that to the extent any Commitment has expired or been terminated, with respect to such Commitment, the applicable outstanding balance of the Loans made pursuant to such Commitment held by such Lender and all the Lenders, respectively, shall be used in lieu of the amount of such Commitment, provided further, that with respect to all matters relating to a particular Loan, the Commitment or outstanding balance of the applicable Loan, shall be used in lieu of the aggregate Commitment or outstanding balance of all Loans in the foregoing calculation. "Ratable" and related terms shall mean, determined by reference to such Lender's Pro Rata Share.

"**Products**" means any products manufactured, sold, developed, tested or marketed by a Loan Party or any of its Subsidiaries.

"**Qualified Financing**" means any offering and sale by Borrower Representative to three or more purchasers of Common Stock, convertible preferred stock or other equity securities (or instruments exercisable for, or convertible into, shares of Common Stock, convertible preferred stock or other equity securities) of Borrower Representative consummated after the Closing Date, whether pursuant to an effective registration statement under the Act or pursuant to an exemption from the registration requirements of the Act.

"**Registered Organization**" means any "registered organization" as defined in the Code with such additions to such term as may hereafter be made.

"**Required Lenders**" means, as of any date of determination, Lenders holding more than 50% of the sum of aggregate principal amount of all Loans outstanding and the aggregate amount of all unfunded commitments to make Loans, at such date of determination.

"**Requirement of Law**" means as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" means with respect to any Person, any of the Chief Executive Officer, President or Chief Financial Officer of such Person. Unless the context otherwise requires, each reference to a Responsible Officer herein shall be a reference to a Responsible Officer of Borrower Representative.

"**Restricted License**" means any material in-bound license or other similar material agreement (other than ordinary course customer contracts, off the shelf software licenses, licenses that are commercially available to the public, and open source licenses) to which a Loan Party or Subsidiary is a party (a) that prohibits or otherwise restricts such Loan Party or Subsidiary from granting a security interest in its interest in such license or agreement or in any other property, or (b) for which a default under, or termination of which, could reasonably be expected to interfere with Collateral Trustee's right to sell any Collateral.

"**Royalty and Milestone Payments**" means milestone payments, royalty payments, upfront payments and other similar payments pursuant to research and development, licensing, collaboration or development agreements.

"**SEC**" has the meaning set forth in Section 2.2(e)(iii).

"**Second Tranche Availability Period**" means the period of time commencing upon the Closing Date and ending on the earliest to occur of (i) an Event of Default, and (ii) the day before the Amortization Date.

"**Second Tranche Term Loans**" has the meaning set forth in Section 2.2(a)(ii).

"**Second Tranche Term Loan Commitment**" means, as to any Lender, the aggregate principal amount of the Second Tranche Term Loans committed to be made by such Lender, as set forth on Schedule 1 hereto.

"**Secured Party**" means (i) Collateral Trustee, Administrative Agent, or either of their successors and assigns, and (ii) Lenders.

"**Securities Account**" means any "securities account" as defined in the Code with such additions to such term as may hereafter be made.

"**Security Instrument**" means any security agreement, assignment, pledge agreement, financing or other similar statement or notice, continuation statement, other agreement or instrument, or any amendment or supplement to any thereof, creating, governing or providing for, evidencing or perfecting any security interest or Lien.

"**Shares**" means all of the issued and outstanding Equity Interests owned or held of record by a Loan Party in each of its Subsidiaries.

"**Subordinated Debt**" means Indebtedness on terms and to holders satisfactory to Administrative Agent and incurred by a Loan Party that is subordinated in writing to all of the Obligations, pursuant to a Subordination Agreement.

"**Subordination Agreement**" means any subordination agreement in form and substance satisfactory to Administrative Agent entered into from time to time with respect to Subordinated Debt.

"**Subsidiary**" means, with respect to any Person, any corporation, partnership, limited liability company or joint venture in which (i) any general partnership interest or (ii) more than fifty percent (50%) of the stock, limited liability company interest, joint venture interest or other Equity Interest which by the terms thereof has the ordinary voting power to elect the Board of that Person, at the time as of which any determination is being made, is owned or controlled by such Person, directly or indirectly. Unless the context otherwise requires, each reference to a Subsidiary herein shall be a reference to a Subsidiary of Borrower Representative

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term Loan**" and "**Term Loans**" each, have the meaning set forth in Section 2.2(a)(iv) hereof.

"**Term Loan Maturity Date**" means November 1, 2027, which shall be extended to November 1, 2028 upon the occurrence of the Extension Milestone Event.

"**Trademarks**" means any trademark and servicemark rights of a Person, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business connected with and symbolized by such trademarks.

"**Transfer**" means defined in Section 7.1.

"**Voting Stock**" means, with respect to any Person, all classes of Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managers (or Persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

"**Warrant**" means, collectively, each Warrant to Purchase Common Stock dated as of the Closing Date executed by Borrower Representative in favor of each Designated Holder, as amended, modified, supplemented, extended or restated from time to time.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-270902) pertaining to the 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan of Acumen Pharmaceuticals, Inc.,
(2) Registration Statement (Form S-3 No. 333-266004) of Acumen Pharmaceuticals, Inc.,
(3) Registration Statement (Form S-8 No. 333-263947) pertaining to the 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan of Acumen Pharmaceuticals, Inc., and
(4) Registration Statement (Form S-8 No. 333-257666) pertaining to the 2013 Amended and Restated Stock Performance Plan, 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan of Acumen Pharmaceuticals, Inc.

of our report dated March 26, 2024, with respect to the financial statements of Acumen Pharmaceuticals, Inc., included in this Annual Report (Form 10-K) of Acumen Pharmaceuticals, Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Tysons, Virginia
March 26, 2024

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Daniel O'Connell, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2023 of Acumen Pharmaceuticals, 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: March 26, 2024

By: /s/ Daniel O'Connell

Daniel O'Connell
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew Zuga, certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended December 31, 2023 of Acumen Pharmaceuticals, 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: March 26, 2024

By: /s/ Matthew Zuga

Matthew Zuga
Chief Financial Officer and Chief Business Officer
(Principal Financial Officer and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Acumen Pharmaceuticals, Inc. (the "Company") for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel O'Connell, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 26, 2024

By: /s/ Daniel O'Connell

Daniel O'Connell
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Acumen Pharmaceuticals, Inc. (the "Company") for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew Zuga, Chief Financial Officer and Chief Business Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

: March 26, 2024

By: /s/ Matthew Zuga

Matthew Zuga
Chief Financial Officer and Chief Business Officer
(Principal Financial Officer and Accounting Officer)

Exhibit 97.1

ACUMEN PHARMACEUTICALS, INC.
POLICY FOR RECOUPMENT OF INCENTIVE COMPENSATION

1. Introduction

In accordance with Section 10D of the Securities Exchange Act of 1934, as amended, and the regulations thereunder, the Board of Directors (the "Board") of Acumen Pharmaceuticals, Inc. (the "Company") has adopted a policy (the "Policy") providing for the Company's recoupment of certain incentive-based compensation received by Covered Executives (as defined below) in the event that the Company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under the securities laws.

2. Administration

Administration and enforcement of this Policy is delegated to the Compensation Committee of the Board (as constituted from time to time, and including any successor committee, the "Committee"). The Committee shall make all determinations under this Policy in its sole discretion. Determinations of the Committee under this Policy need not be uniform with respect to any or all Covered Executives and will be final and binding.

3. Effective Date

This Policy shall be effective as of October 2, 2023 (the "Effective Date") and shall apply only to Covered Compensation (as defined below) that is received by Covered Executives on or after the Effective Date, except as otherwise agreed to by any Covered Executive.

4. Covered Executives

This Policy covers each current or former officer of the Company subject to Section 16 of the Securities Exchange Act of 1934, as amended (each, a "Covered Executive").

5. Covered Compensation

This Policy applies to any cash-based and equity-based incentive compensation, bonuses, and awards that are received by a Covered Executive and that were based, wholly or in part, upon the attainment of any financial reporting measure ("Covered Compensation"). For the avoidance of doubt, none of the following shall be deemed to be Covered Compensation: base salary, a bonus that is paid solely at the discretion of the Committee or Board and not paid from a bonus pool determined by satisfying a financial reporting measure performance goal, and cash or equity-based awards that are earned solely upon satisfaction of one or more subjective or strategic standards. This Policy shall apply to any Covered Compensation received by an employee who served as a Covered Executive at any time during the performance period for that Covered Compensation.

6. Financial Restatements; Recoupment

In the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (such an accounting restatement, a "Restatement"), the Committee shall review the Covered Compensation received by a Covered Executive during the

three-year period preceding the Required Financial Restatement Date as well as any transition period that results from a change in the Company's fiscal year within or immediately following those three completed fiscal years. Regardless of whether the Company filed the restated financial statements, the Committee shall, to the full extent permitted by governing law, seek recoupment of any Covered Compensation, whether in the form of cash or equity, received by a Covered Executive (computed without regard to any taxes paid), if and to the extent:

a. the amount of the Covered Compensation was calculated based upon the achievement of certain financial results that were subsequently the subject of a Restatement; and

b. the amount of the Covered Compensation that would have been received by the Covered Executive had the financial results been properly reported would have been lower than the amount actually awarded (any such amount, "Erroneously-Awarded Compensation").

To the extent Covered Compensation was based on the achievement of a financial reporting measure, but the amount of such Covered Compensation was not awarded or paid on a formulaic basis, the Committee shall determine the amount, if any, of such Covered Compensation that is deemed to be Erroneously-Awarded Compensation.

For purposes of this Policy, the 'Required Financial Restatement Date" is the earlier to occur of:

a. the date the Board, a committee of the Board, or any officer or officers authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement; or

b. the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

For the avoidance of doubt, a Covered Executive will be deemed to have received Covered Compensation in the Company's fiscal period during which the financial reporting measure specified in the award is attained, even if the Covered Executive remains subject to additional payment conditions with respect to such award.

7. Method of Recoupment

The Committee will determine, in its sole discretion, the method for recouping Erroneously-Awarded Compensation, which may include, without limitation:

a. requiring reimbursement of cash incentive compensation previously paid;

b. cancelling or rescinding some or all outstanding vested or unvested equity (and/or equity-based) awards;

c. adjusting or withholding from unpaid compensation or other set-off to the extent permitted by applicable law; and/or

d. reducing or eliminating future salary increases, cash-based or equity-based incentive compensation, bonuses, awards or severance.

8. Impracticability Exceptions

The Committee shall not seek recoupment of any Erroneously-Awarded Compensation to the extent it determines that:

a. the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount of Erroneously-Awarded Compensation to be recovered;

b. recovery would violate home country law where that law was adopted prior to November 28, 2022; and/or

c. recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to Company employees, to fail to meet the requirements of Sections 401(a)(13) and 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

9. No Indemnification

For the avoidance of doubt, the Company shall not indemnify any Covered Executive against the loss of any Erroneously-Awarded Compensation or any Covered Compensation that is recouped pursuant to the terms of this Policy, or any claims relating to the Company's enforcement of its rights under this Policy.

10. Severability

If any provision of this Policy or the application of any such provision to any Covered Executive shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

11. Amendments

The Committee may amend, modify or terminate this Policy in whole or in part at any time and may adopt such rules and procedures that it deems necessary or appropriate to implement this Policy or to comply with applicable laws and regulations.

12. No Impairment of Other Remedies

The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company may have, the Company's ability to enforce, without duplication, the recoupment provisions set forth in any separate Company policy or in any Company plan, program or agreement (each, a "Separate Recoupment Policy" and collectively, the "Separate Recoupment Policies"), or any actions that may be imposed by law enforcement agencies, regulators or other authorities. Notwithstanding the foregoing, in the event that there is a conflict between the application of this Policy to a Covered Executive in the event of a Restatement and any additional recoupment provisions set forth in a Separate Recoupment Policy to which a Covered Executive is subject, the provisions of this Policy shall control. The Company may also adopt additional Separate Recoupment Policies in the future or amend existing requirements as required by law or regulation.