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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2024

or

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

Commission File Number 001-39321

Avidity Biosciences, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-1336960**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**
10578 Science Center Drive , Suite 125 San Diego , California	**92121**
(Address of principal executive offices)	**(Zip Code)**

(858) 401-7900
(Registrant's telephone number, including area code)

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	RNA	The Nasdaq Global Market

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

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

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	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
		Emerging growth company	o

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of October 24, 2024, the registrant had 119,309,317 shares of common stock outstanding.

Avidity Biosciences, Inc.

FORM 10-Q

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PART I - FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (unaudited)

Avidity Biosciences, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par value)

	September 30, 2024	December 31, 2023
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 370,187	$ 185,082
Marketable securities	1,218,406	410,269
Prepaid and other assets	33,273	15,956
Total current assets	1,621,866	611,307
Property and equipment, net	9,493	8,381
Restricted cash	2,795	295
Right-of-use assets	6,299	8,271
Other assets	318	301
Total assets	$ 1,640,771	$ 628,555
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 49,628	$ 34,341
Accrued compensation	18,241	14,335
Lease liabilities, current portion	3,804	3,639
Deferred revenue, current portion	19,660	28,365
Total current liabilities	91,333	80,680
Lease liabilities, net of current portion	3,797	6,213
Deferred revenue, net of current portion	42,261	40,898
Total liabilities	137,391	127,791
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, $ 0.0001 par value; authorized shares – 400,000 ; issued and outstanding shares – 118,900 and 79,275 at September 30, 2024 and December 31, 2023, respectively	12	8
Additional paid-in capital	2,287,076	1,071,395
Accumulated other comprehensive income	7,102	125
Accumulated deficit	(790,810)	(570,764)
Total stockholders' equity	1,503,380	500,764
Total liabilities and stockholders' equity	$ 1,640,771	$ 628,555

See accompanying notes.

Avidity Biosciences, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Collaboration revenue	$ 2,336	$ 2,818	$ 7,924	$ 7,367
Operating expenses:				
Research and development	77,197	47,714	207,968	138,151
General and administrative	23,273	13,729	57,902	38,071
Total operating expenses	100,470	61,443	265,870	176,222
Loss from operations	(98,134)	(58,625)	(257,946)	(168,855)
Other income (expense):				
Interest income	17,968	6,280	38,350	17,567
Other expense	(232)	(13)	(449)	(489)
Total other income	17,736	6,267	37,901	17,078
Net loss	$ (80,398)	$ (52,358)	$ (220,045)	$ (151,777)
Net loss per share, basic and diluted	$ (0.65)	$ (0.71)	$ (2.08)	$ (2.11)
Weighted-average shares outstanding, basic and diluted	123,375	74,097	105,902	71,987
Other comprehensive income:				
Net unrealized gains on marketable securities	7,555	788	6,977	820
Comprehensive loss	$ (72,843)	$ (51,570)	$ (213,068)	$ (150,957)

See accompanying notes.

Avidity Biosciences, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	79,275	$ 8	$ 1,071,395	$ 125	$ (570,764)	$ 500,764
Issuance of common stock upon exercise of stock options	541	—	3,896	—	—	3,896
Issuance of common stock in public offering, net of issuance costs of $ 143	418	—	5,594	—	—	5,594
Issuance of common stock in a private placement, net of issuance costs of $ 12,821	15,225	2	238,386	—	—	238,388
Issuance of pre-funded warrants in a private placement, net of issuance costs of $ 7,605	—	—	141,395	—	—	141,395
Issuance of common stock in connection with vesting of restricted stock units	135	—	—	—	—	—
Stock-based compensation	—	—	10,306	—	—	10,306
Net loss	—	—	—	—	(68,855)	(68,855)
Other comprehensive loss	—	—	—	(589)	—	(589)
Balance at March 31, 2024	95,594	$ 10	$ 1,470,972	$ (464)	$ (639,619)	$ 830,899
Issuance of common stock upon exercise of stock options	1,201	—	14,308	—	—	14,308
Issuance of common stock in public offering, net of issuance costs of $ 28,263	12,133	1	432,771	—	—	432,772
Issuance of common stock under Employee Stock Purchase Plan	138	—	1,027	—	—	1,027
Issuance of common stock in connection with vesting of restricted stock units	200	—	—	—	—	—
Stock-based compensation	—	—	12,812	—	—	12,812
Net loss	—	—	—	—	(70,793)	(70,793)
Other comprehensive income	—	—	—	11	—	11
Balance at June 30, 2024	109,266	$ 11	$ 1,931,890	$ (453)	$ (710,412)	$ 1,221,036
Issuance of common stock upon exercise of stock options	1,007	—	17,363	—	—	17,363
Issuance of common stock in public offerings, net of issuance costs of $ 21,406	8,418	1	323,731	—	—	323,732
Issuance of common stock in connection with vesting of restricted stock units	209	—	—	—	—	—
Stock-based compensation	—	—	14,092	—	—	14,092
Net loss	—	—	—	—	(80,398)	(80,398)
Other comprehensive income	—	—	—	7,555	—	7,555
Balance at September 30, 2024	118,900	$ 12	$ 2,287,076	$ 7,102	$ (790,810)	$ 1,503,380

See accompanying notes.

Avidity Biosciences, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2022	69,768	$ 7	$ 939,310	$ (2,698)	$ (358,544)	$ 578,075
Issuance of common stock upon exercise of stock options	102	—	520	—	—	520
Issuance of common stock in public offering, net of issuance costs of $ 408	943	—	22,441	—	—	22,441
Stock-based compensation	—	—	9,104	—	—	9,104
Net loss	—	—	—	—	(52,394)	(52,394)
Other comprehensive income	—	—	—	1,169	—	1,169
Balance at March 31, 2023	70,813	$ 7	$ 971,375	$ (1,529)	$ (410,938)	$ 558,915
Issuance of common stock upon exercise of stock options	12	—	7	—	—	7
Issuance of common stock in public offering, net of issuance costs of $ 977	3,164	—	38,106	—	—	38,106
Issuance of common stock under employee stock purchase plan	81	—	859	—	—	859
Stock-based compensation	—	—	9,453	—	—	9,453
Net loss	—	—	—	—	(47,025)	(47,025)
Other comprehensive loss	—	—	—	(1,137)	—	(1,137)
Balance at June 30, 2023	74,070	$ 7	$ 1,019,800	$ (2,666)	$ (457,963)	$ 559,178
Issuance of common stock upon exercise of stock options	31	—	40	—	—	40
Stock-based compensation	—	—	9,820	—	—	9,820
Net loss	—	—	—	—	(52,358)	(52,358)
Other comprehensive income	—	—	—	788	—	788
Balance at September 30, 2023	74,101	$ 7	$ 1,029,660	$ (1,878)	$ (510,321)	$ 517,468

See accompanying notes.

Avidity Biosciences, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$ (220,045)	$ (151,777)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,038	1,486
Stock-based compensation expense	37,210	28,377
Amortization of premiums and discounts on marketable securities, net	(14,281)	(8,037)
Non-cash operating lease costs	2,473	2,154
Changes in operating assets and liabilities:		
Prepaid and other assets	(16,928)	(435)
Accounts payable and accrued liabilities	14,722	(588)
Accrued compensation	3,906	(25)
Operating lease liabilities	(2,752)	(2,412)
Deferred revenue	(7,342)	(4,308)
Net cash used in operating activities	(200,999)	(135,565)
Cash flows from investing activities		
Maturities of marketable securities	349,655	229,450
Purchases of marketable securities	(1,136,534)	(407,195)
Purchases of property and equipment	(3,150)	(3,365)
Net cash used in investing activities	(790,029)	(181,110)
Cash flows from financing activities		
Proceeds from issuance of common stock in public offerings, net of issuance costs	762,661	60,547
Proceeds from issuance of common stock under employee incentive equity plans	36,189	1,426
Proceeds from the issuance of common stock in a private placement, net of issuance costs	238,388	—
Proceeds from issuance of pre-funded warrants in a private placement, net of issuance costs	141,395	—
Net cash provided by financing activities	1,178,633	61,973
Net increase (decrease) in cash, cash equivalents and restricted cash	187,605	(254,702)
Cash, cash equivalents and restricted cash at beginning of period	185,377	340,647
Cash, cash equivalents and restricted cash at end of period	$ 372,982	$ 85,945
Supplemental schedule of noncash investing and financing activities:		
Right-of-use assets obtained in exchange for operating lease liabilities	$ —	$ 1,741
Costs incurred, but not paid, in connection with deferred financing costs included in accounts payable and accrued liabilities	$ 565	$ —
Receivables from stock option exercises included in prepaid and other assets	$ 406	$ —
Costs incurred, but not paid, in connection with purchases of property and equipment included in accounts payable and accrued liabilities	$ 655	$ 238

See accompanying notes.

Avidity Biosciences, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Description of Business and Basis of Presentation

Description of Business

Avidity Biosciences, Inc. (the Company or Avidity) is a biopharmaceutical company committed to delivering a new class of RNA therapeutics called Antibody Oligonucleotide Conjugates (AOCs). The Company's proprietary AOC platform is designed to combine the specificity of monoclonal antibodies with the precision of RNA therapeutics to target the root cause of diseases previously untreatable with such therapeutics.

Liquidity

To date, the Company has devoted substantially all of its resources to organizing and staffing the Company, business planning, raising capital, developing its proprietary AOC platform, identifying potential product candidates, establishing its intellectual property portfolio, conducting research, preclinical and clinical studies, and providing other general and administrative support for these operations. In addition, the Company has a limited operating history, has incurred operating losses since inception and expects that it will continue to incur net losses into the foreseeable future as it continues the development of its product candidates and development programs. As of September 30, 2024, the Company had an accumulated deficit of $ 790.8 million and cash, cash equivalents and marketable securities of $ 1.6 billion.

The Company believes that existing cash, cash equivalents and marketable securities will be sufficient to fund the Company's operations for at least 12 months from the date of the filing of this Form 10-Q. The Company plans to finance its future cash needs through equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other arrangements. If the Company is not able to secure adequate additional funding, it may be forced to make reductions in spending, extend payment terms with suppliers, liquidate assets where possible, and/or delay or reduce the scope of its planned development programs. Any of these actions could materially harm the Company's business, results of operations and future prospects.

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) and the rules and regulations of the Securities and Exchange Commission (SEC) related to a quarterly report on Form 10-Q. Certain information and note disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to those rules and regulations. The unaudited interim condensed consolidated financial statements reflect all adjustments which, in the opinion of management, are necessary for a fair statement of the results for the periods presented. All such adjustments are of a normal and recurring nature. The operating results presented in these unaudited interim condensed consolidated financial statements are not necessarily indicative of the results that may be expected for any future periods. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto for the year ended December 31, 2023 included in the Company's annual report on Form 10-K filed with the SEC on February 28, 2024.

In December 2023, the Company formed Avidity Biosciences Ireland Limited, a wholly-owned subsidiary (the Subsidiary). The accompanying condensed consolidated financial statements reflect the operations of Avidity Biosciences, Inc. and the Subsidiary. Intercompany balances and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Use of Estimates

The Company's condensed consolidated financial statements are prepared in accordance with GAAP, which requires the Company to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in the condensed consolidated financial statements and accompanying notes. The most significant estimates in the Company's condensed consolidated financial statements relate to revenue recognition, stock-based compensation, and accrued research and development costs. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may ultimately materially differ from these estimates and assumptions.

Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in "Note 2 – Summary of Significant Accounting Policies" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 28, 2024. There have been no significant changes to these policies during the nine months ended September 30, 2024.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of common shares outstanding for the period, adjusted for the weighted-average number of common shares outstanding that are subject to repurchase or forfeiture. Diluted net loss per share is computed by dividing the net loss by the weighted-average number of common shares and dilutive common stock equivalents outstanding for the period determined using the treasury-stock and if-converted methods. For all periods presented, there is no difference in the number of shares used to calculate basic and diluted shares outstanding as inclusion of the common stock equivalent securities would be anti-dilutive. The pre-funded common stock warrants are included in the calculation of basic and diluted net loss per share as the exercise price of $ 0.001 per share is not substantive and the shares are issuable for little or no consideration.

Common stock equivalent securities not included in the calculation of diluted net loss per share for the three and nine month periods ended September 30, because to do so would be anti-dilutive, are as follows (in thousands):

	September 30,	
	2024	2023
Common stock options	12,190	12,526
Restricted stock units	1,608	701
Performance stock units	375	750
Employee Stock Purchase Plan shares pending issuance	25	109
Total	14,198	14,086

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which modifies the disclosure and presentation requirements of reportable segments. The amendments in the update require the disclosure of significant segment expenses that are regularly provided to the Chief Operating Decision Maker (CODM) and included within each reported measure of segment profit and loss. The amendments also require disclosure of all other segment items by reportable segment and a description of its composition. Additionally, the amendments require disclosure of the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. Lastly, the amendment requires that a public entity that has a single reportable segment provide all the disclosures required by ASU 2023-07 and all existing segment disclosures in Topic 280. This update is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. ASU 2023-07 will be applied retrospectively and early adoption is

permitted. The Company is currently evaluating the impact that this guidance will have on the presentation of its financial statements and accompanying notes.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which enhances income tax disclosures, primarily through standardization and disaggregation of the income tax rate reconciliation and disaggregation of income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. ASU 2023-09 can be applied either prospectively or retrospectively and early adoption is permitted. The Company is currently evaluating the impact that this guidance will have on the presentation of its financial statements and accompanying notes.

3. Fair Value Measurements

The following tables summarize the Company's cash equivalents and marketable securities measured at fair value (in thousands):

		Fair Value Measurements Using		
As of September 30, 2024	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
U.S. Treasury securities	$ 39,914	$ 39,914	$ —	$ —
Marketable securities:				
U.S. Treasury securities	1,217,671	1,217,671	—	—
Negotiable certificates of deposit	735	—	735	—
Total	$ 1,258,320	$ 1,257,585	$ 735	$ —

		Fair Value Measurements Using		
As of December 31, 2023	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable securities:				
U.S. Treasury securities	$ 399,890	$ 399,890	$ —	$ —
U.S. Government agency securities	4,998	—	4,998	—
Negotiable certificates of deposit	5,381	—	5,381	—
Total	$ 410,269	$ 399,890	$ 10,379	$ —

4. Marketable Securities

The Company's marketable securities, which consist of highly liquid marketable debt securities, are classified as available-for-sale and are stated at fair value. The following tables summarize the Company's marketable securities (in thousands):

As of September 30, 2024	Maturity (in years)	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. Treasury securities	1 or less	$ 840,674	$ 2,859	$ (31)	$ 843,502
Negotiable certificates of deposit	1 or less	736	—	(1)	735
U.S. Treasury securities	1 - 2	369,894	4,288	(13)	374,169
Total		$ 1,211,304	$ 7,147	$ (45)	$ 1,218,406

As of December 31, 2023	Maturity (in years)	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
U.S. Treasury securities	1 or less	$ 301,053	$ 102	$ (530)	$ 300,625
U.S. Government agency securities	1 or less	5,000	—	(2)	4,998
Negotiable certificates of deposit	1 or less	4,410	1	(4)	4,407
U.S. Treasury securities	1 - 2	98,701	600	(36)	99,265
Negotiable certificates of deposit	1 - 2	980	—	(6)	974
Total		$ 410,144	$ 703	$ (578)	$ 410,269

The unrealized losses on the Company's marketable securities were caused by interest rate increases and resulted in the decrease in market value of these securities. There were no allowances for credit losses at September 30, 2024 and December 31, 2023 because (i) the decline in fair value is attributable to changes in interest rates and not credit quality, (ii) the Company does not intend to sell the investments before maturity, and (iii) it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost bases.

The following table summarizes marketable securities in a continuous unrealized loss position for which an allowance for credit losses was not recorded (in thousands):

	Less Than 12 Months		12 Months or Greater		Total	
As of September 30, 2024	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities	$ 30,920	$ (21)	$ 33,924	$ (23)	$ 64,844	$ (44)
Negotiable certificates of deposit	—	—	489	(1)	489	(1)
Total	$ 30,920	$ (21)	$ 34,413	$ (24)	$ 65,333	$ (45)

	Less Than 12 Months		12 Months or Greater		Total	
As of December 31, 2023	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury securities	$ 214,291	$ (566)	$ —	$ —	$ 214,291	$ (566)
U.S. Government agency securities	4,998	(2)	—	—	4,998	(2)
Negotiable certificates of deposit	3,665	(10)	—	—	3,665	(10)
Total	$ 222,954	$ (578)	$ —	$ —	$ 222,954	$ (578)

Accrued interest receivable on available-for-sale securities was $ 8.3 million and $ 2.6 million at September 30, 2024 and December 31, 2023, respectively. The Company has not written off any accrued interest receivable for the nine months ended September 30, 2024 and 2023.

5. Collaboration, License and Research Agreements

Research Collaboration and License Agreement with Bristol Myers Squibb Company

In November 2023, the Company entered into a Research Collaboration and License Agreement (the BMS Collaboration Agreement) with Bristol Myers Squibb Company (BMS) to expand on its research with MyoKardia Inc. In connection with the BMS Collaboration Agreement, the Company recognized revenue of $ 2.3 million and $ 6.8 million for the three and nine months ended September 30, 2024, respectively. There were no collaboration receivables related to the BMS Collaboration Agreement in any of the periods presented.

Research Collaboration and License Agreement with Eli Lilly and Company

In April 2019, the Company entered into a Research Collaboration and License Agreement (the Lilly Agreement) with Eli Lilly and Company (Lilly) for the discovery, development and commercialization of AOC

products directed against certain targets in immunology and other select indications on a worldwide basis. In connection with the Lilly Agreement, the Company recognized no revenue for the three months ended September 30, 2024 and $ 2.8 million for the three months ended September 30, 2023. The Company recognized revenue of $ 1.1 million and $ 7.3 million for the nine months ended September 30, 2024 and 2023, respectively. There were no collaboration receivables related to the Lilly Agreement as of September 30, 2024 and $ 0.8 million collaboration receivables related to the Lilly Agreement as of December 31, 2023, which are included in prepaid and other assets on the condensed consolidated balance sheets. There was no deferred revenue related to the Lilly Agreement at September 30, 2024.

The amounts received that have not yet been recognized as revenue are deferred on the Company's balance sheet and will be recognized over the remaining research and development period until the performance obligation is satisfied. A reconciliation of the closing balance of deferred revenue related to the Company's research collaboration and license agreements for the nine months ended September 30, 2024 and 2023 is as follows (in thousands):

Balance at December 31, 2023	$	69,263
Revenue recognized that was included in the balance at the beginning of the period		(2,961)
Balance at March 31, 2024	$	66,302
Revenue recognized that was included in the balance at the beginning of the period		(2,045)
Balance at June 30, 2024	$	64,257
Revenue recognized that was included in the balance at the beginning of the period		(2,336)
Balance at September 30, 2024	$	61,921
Balance at December 31, 2022	$	6,276
Revenue recognized that was included in the balance at the beginning of the period		(1,219)
Balance at March 31, 2023	$	5,057
Revenue recognized that was included in the balance at the beginning of the period		(1,247)
Balance at June 30, 2023	$	3,810
Revenue recognized that was included in the balance at the beginning of the period		(1,842)
Balance at September 30, 2023	$	1,968

6. Composition of Certain Financial Statement Items

Prepaid and other assets (in thousands)

	September 30, 2024	December 31, 2023
Accounts receivable	$ —	$ 1,105
Prepaid assets	14,063	7,333
Interest receivable and other assets	19,210	7,518
Total prepaid and other assets	$ 33,273	$ 15,956

Property and equipment consist of the following (in thousands):

	September 30, 2024	December 31, 2023
Laboratory equipment	$ 13,101	$ 11,208
Computers and software	263	127
Office furniture and equipment	1,979	1,979
Leasehold improvements	288	288
Construction in process	1,121	—
Property and equipment, gross	16,752	13,602
Less accumulated depreciation	(7,259)	(5,221)
Total property and equipment, net	$ 9,493	$ 8,381

Depreciation expense related to property and equipment was $ 0.7 million and $ 0.6 million for the three months ended September 30, 2024 and 2023, respectively, and $ 2.0 million and $ 1.5 million for the nine months ended September 30, 2024 and 2023, respectively.

Accounts payable and accrued liabilities (in thousands):

	September 30, 2024	December 31, 2023
Accounts payable	$ 7,662	$ 8,809
Accrued non-clinical liabilities	35,622	19,535
Accrued clinical liabilities	6,344	5,997
Total accounts payable and accrued liabilities	$ 49,628	$ 34,341

7. Commitments and Contingencies

Litigation

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. There are no such matters currently outstanding for which liabilities have been accrued.

Operating Lease

In April 2024, the Company entered into a sublease agreement with Turning Point Therapeutics, Inc. to rent 105,000 square feet for office and laboratory space for the Company's future corporate headquarters. The term of the sublease is approximately 9 years and 9 months with payments expected to begin in August 2025. Pursuant to the terms of the sublease agreement, the sublandlord will provide the Company with a tenant improvement allowance of up to $ 33.6 million. An additional tenant improvement allowance of up to $ 5.0 million is also available to be repaid in equal installments through monthly rent payments, subject to 8 % interest per annum and annual increases of 3 % per annum. The Company also has an option and a right of first refusal for

an additional 80,000 square feet in an adjacent available building, which has not been exercised. Total aggregate future lease commitments under the sublease agreement are approximately $ 72.6 million, inclusive of 3 % annual rent increases and various agreed upon rent abatement amounts. The sublease will be measured and recognized upon commencement of the sublease. As of September 30, 2024, the sublease had not commenced because construction of improvements to bring the facility to its intended use was not substantially complete.

In connection with the sublease agreement, the Company is required to maintain a letter of credit for the benefit of the sublandlord in the amount of $ 2.5 million, which was delivered in April 2024 and is included in restricted cash in the Company's condensed consolidated balance sheet.

8. Stockholders' Equity

Common Stock

On November 8, 2022, the Company entered into a sales agreement (the 2022 Sales Agreement) with Cowen and Company, LLC (the 2022 Sales Agent), which has since been terminated, as described below. Under the 2022 Sales Agreement, the Company was eligible to sell, from time to time, shares of its common stock having an aggregate offering price of up to $ 200.0 million through the 2022 Sales Agent. Sales of the shares of common stock were made at prevailing market prices at the time of sale, or as otherwise agreed with the 2022 Sales Agent. The Company was not obligated to sell, and the 2022 Sales Agent was not obligated to buy or sell, any shares of common stock under the 2022 Sales Agreement. During the nine months ended September 30, 2024 and 2023, the Company sold 418,408 and 4,107,810 shares of its common stock, respectively, pursuant to the 2022 Sales Agreement and received net proceeds of $ 5.6 million and $ 60.5 million, respectively, after deducting offering-related transaction costs and commissions.

On March 4, 2024, the Company sold 15,224,773 unregistered shares of its common stock and pre-funded warrants in lieu of common stock to purchase up to an aggregate of 9,030,851 shares of its common stock to investors in a private placement at an offering price of $ 16.50 per share and $ 16.499 per pre-funded warrant, which represents the offering price per share of common stock less an exercise price of $ 0.001 per share. The Company valued the common stock at the offering price, concluding that the offering price approximated fair value. The net proceeds from the private placement were $ 379.8 million after deducting placement fees and offering costs of $ 20.4 million. The resale of the shares, including the shares issuable upon exercise of the pre-funded warrants, were subsequently registered on an automatically effective Registration Statement on Form S-3 filed with the SEC on April 2, 2024.

The pre-funded warrants are a freestanding instrument that do not meet the definition of a liability pursuant to ASC 480 and do not meet the definition of a derivative pursuant to ASC 815. The Company valued the pre-funded warrants at the offering price, concluding that the offering price approximated fair value. The pre-funded warrants meet the equity classification criteria and were accounted for as a component of additional paid-in capital. The pre-funded warrants are immediately exercisable and do not expire.

One of the investors who participated in the private placement met the criteria of a related party as such investor was a principal owner of more than 10% of the voting interest in the Company (the Principal Owner). The Principal Owner purchased 2,121,213 shares of the Company's common stock for $ 35.0 million. The purchase of common stock under the private placement by the Principal Owner was carried out at arm's length as substantiated by the fact that the per share purchase price equaled the price paid by other participants. No amounts were due from the Principal Owner as of September 30, 2024.

On June 17, 2024, the Company completed a public offering of 12,132,500 shares of its common stock at a public offering price of $ 38.00 per share. Net proceeds from the offering were approximately $ 432.8 million, after deducting underwriting discounts and offering expenses of $ 28.3 million. The shares sold in the offering were registered pursuant to the Company's shelf registration statement on Form S-3, which became automatically effective upon filing on May 9, 2024.

On August 9, 2024, the Company entered into a sales agreement (the 2024 Sales Agreement) with TD Securities (USA) LLC (the 2024 Sales Agent) with substantially similar terms as the 2022 Sales Agreement. The 2022 Sales Agreement was terminated upon effectiveness of the 2024 Sales Agreement. Under the 2024 Sales Agreement, the Company may, from time to time, sell shares of its common stock having an aggregate offering price of up to $ 400.0 million through the 2024 Sales Agent. Sales of the shares of common stock, if any, will be made at prevailing market prices at the time of sale, or as otherwise agreed with the 2024 Sales Agent. The

Company is not obligated to sell, and the 2024 Sales Agent is not obligated to buy or sell, any shares of common stock under the 2024 Sales Agreement. As of September 30, 2024, the Company had not sold any shares of its common stock under the 2024 Sales Agreement.

On August 16, 2024, the Company completed a public offering of 8,418,000 shares of its common stock at a public offering price of $ 41.00 per share. Net proceeds from the offering were approximately $ 323.7 million, after deducting underwriting discounts and offering expenses of $ 21.4 million. The shares sold in the offering were registered pursuant to the Company's shelf registration statement on Form S-3, which became automatically effective upon filing on May 9, 2024.

Stock Options

Stock option activity for employee and non-employee awards and related information is as follows (in thousands, except per share data):

	Number of Options	Weighted-Average Exercise Price Per Share
Outstanding at December 31, 2023	12,495	$ 14.91
Granted	2,903	21.81
Exercised	(2,749)	12.94
Forfeited/expired	(459)	14.53
Outstanding at September 30, 2024	12,190	$ 17.01

Restricted Stock Units and Performance Stock Units

The Company has granted restricted stock units (RSUs) and performance stock units (PSUs) to employees of the Company under the 2020 Incentive Award and the 2022 Employment Inducement Incentive Award Plans. RSUs and PSUs are valued at the market price of a share of the Company's stock on the date of grant. RSUs vest ratably on an annual basis over a four-year service period and are payable in shares of common stock on the vesting date. Compensation expense for RSUs is recognized on a straight-line basis over the four-year service period. Compensation expense for PSUs is recognized over the service period when the performance conditions are met or considered probable of achievement, using management's best estimates. Forfeitures are recorded in the period in which they occur.

The following table summarizes the RSU activity for the nine months ended September 30, 2024 (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2023	758	$ 18.73
Granted	1,165	18.59
Vested	(169)	19.98
Forfeited	(146)	12.95
Unvested at September 30, 2024	1,608	$ 19.02

The total fair value of RSU shares vested during the nine months ended September 30, 2024 was $ 2.8 million. No RSUs vested during the nine months ended September 30, 2023.

The following table summarizes the PSU activity for the nine months ended September 30, 2024 (in thousands, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2023	750	$ 6.57
Granted	—	—
Vested	(375)	6.57
Forfeited	—	—
Unvested at September 30, 2024	375	$ 6.57

During the nine months ended September 30, 2024, the performance conditions related to 750,000 units of outstanding PSUs were met or deemed probable resulting in (1) the immediate vesting of 375,000 units and (2) the expected vesting of 187,500 units in December 2024 and another 187,500 units in March 2025. As a result, the Company recognized $ 4.3 million of stock-based compensation expense during the nine months ended September 30, 2024. The total fair value of PSU shares vested during the nine months ended September 30, 2024 was $ 16.0 million. No PSUs vested during the nine months ended September 30, 2023.

Employee Stock Purchase Plan

The Company issued 137,913 and 81,005 shares of common stock under the Employee Stock Purchase Plan (ESPP) during the nine months ended September 30, 2024 and 2023, respectively. The Company had an outstanding liability of $ 0.8 million at September 30, 2024, which is included in accounts payable and accrued liabilities on the condensed consolidated balance sheet, for employee contributions to the ESPP for shares pending issuance at the end of the current offering period. As of September 30, 2024, 234,604 shares of common stock were available for issuance under the ESPP.

Stock-Based Compensation Expense

The assumptions used in the Black-Scholes-Merton model to determine the fair value of stock option grants were as follows:

	Options	
	Nine Months Ended September 30,	
	2024	2023
Risk-free interest rate	3.5 % - 4.7 %	3.5 % - 4.5 %
Expected volatility	79 % - 82 %	80 % - 82 %
Expected term (in years)	5.3 - 6.1	5.5 - 6.1
Expected dividend yield	— %	— %

Risk-Free Interest Rate. The Company bases the risk-free interest rate assumption for equity awards on the rates for U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the award being valued.

Expected Volatility. The expected volatility of stock options is estimated based on the average historical volatilities of common stock of comparable publicly traded companies and the Company's own volatility. The comparable companies are chosen based on their size and stage in the life cycle. The Company will continue to apply this process until a sufficient amount of historical information regarding the volatility of its own stock price becomes available.

Expected Term. The Company's limited option exercise history does not provide a reasonable basis for estimating expected term, therefore the Company has estimated the expected life of its stock options using the simplified method, whereby the expected life equals the average of the vesting term and the original contractual term of the option. The expected life assumption for employee stock purchases under the ESPP is six months to conform with the six-month ESPP offering period.

Expected Dividend Yield. The Company's expected dividend yield assumption is zero as it has never paid dividends and has no present intention to do so in the future.

The allocation of stock-based compensation expense for stock option, RSU awards, PSU awards, and shares purchasable under the ESPP was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development expense	$ 6,680	$ 5,611	$ 18,945	$ 16,325
General and administrative expense	7,412	4,209	18,265	12,052
Total stock-based compensation expense	$ 14,092	$ 9,820	$ 37,210	$ 28,377

As of September 30, 2024, the unrecognized compensation cost related to outstanding time-based options and RSUs was $ 79.3 million and $ 26.6 million, respectively, which is expected to be recognized over a weighted-average period of 2.6 and 3.1 years, respectively. Unrecognized compensation cost related to PSUs was $ 0.6 million, which is expected to be recognized over a weighted-average period of 0.3 years. As of September 30, 2024, the unrecognized compensation cost related to stock purchase rights under the ESPP was $ 0.3 million, which is expected to be recognized over a weighted-average period of 0.2 years.

9. Subsequent Events

On October 30, 2024, the Board of Directors granted an award of PSUs representing 738,000 shares of common stock to Company executives pursuant to a Long Term Incentive Plan established as part of the 2020 Incentive Award Plan. These PSUs will vest upon the Company's achievement of certain regulatory and commercial milestones.

ITEM 2. 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 unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this quarterly report on Form 10-Q and with our audited financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations, both of which are contained in our annual report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission, or SEC, on February 28, 2024.

Cautionary Note Regarding Forward-Looking Statements

This quarterly report contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical fact contained in this quarterly report, including statements regarding our future results of operations and financial position, business strategies and plans, research and development plans, the anticipated timing, costs, design and conduct of our ongoing and planned preclinical studies and clinical trials for our product candidates, the timing and likelihood of regulatory filings and approvals for our product candidates, the timing and likelihood of success, plans and objectives of management for future operations and future results of anticipated product development efforts, inflationary pressures, and the ongoing hostilities outside the United States on our business, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," or the negative of these terms or other comparable terminology. These forward-looking statements are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this quarterly report and are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, "Risk Factors." The events and circumstances reflected in our forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Overview

We are a biopharmaceutical company committed to delivering a new class of RNA therapeutics called Antibody Oligonucleotide Conjugates, or AOCs. Our proprietary AOC platform is designed to combine the specificity of monoclonal antibodies, or mAbs, with the precision of RNA therapeutics to target the root cause of diseases previously untreatable with such therapeutics. Our advancing and expanding pipeline currently has three programs in clinical development. Delpacibart etedesiran, abbreviated as del-desiran (formerly AOC 1001), is designed to treat people with myotonic dystrophy type 1, or DM1, and is currently in Phase 3 development with the ongoing global HARBOR™ trial. Delpacibart braxlosiran, or del-brax (formerly AOC 1020), is the first investigational therapy designed to directly target DUX4 in people living with facioscapulohumeral muscular dystrophy, or FSHD, and is currently in Phase 1/2 development with the FORTITUDE™ trial. Delpacibart zotadirsen, or del-zota (formerly AOC 1044), is designed for people with Duchenne muscular dystrophy, or DMD, and is currently in Phase 1/2 development with the EXPLORE44™ trial. Del-zota is specifically designed for people with mutations amenable to exon 44 skipping, or DMD44, and is the first of multiple AOCs we are developing for DMD. Del-desiran, del-brax and del-zota have all been granted Orphan Designation by the FDA and the European Medicines Agency, or EMA, and Fast Track Designation by the FDA. In addition, the FDA has granted del-desiran Breakthrough Therapy designation for the treatment of DM1 and granted del-zota Rare Pediatric Disease designation. We have reported data from each of our three AOC product candidates in 2024.

Phase 3 HARBOR™ for DM1 (del-desiran)

We are developing del-desiran to treat people living with myotonic dystrophy type 1 (DM1). Del-desiran is being studied in the Phase 3 global HARBOR™ trial in adults living with DM1 and is also being studied in the ongoing MARINA-OLE™ trial with all of the participants who completed the Phase 1/2 MARINA® trial. Long-term data from the MARINA-OLE trial showed reversal of disease progression in people living with DM1 across

multiple endpoints including video hand opening time (vHOT) as a measure of hand function and myotonia, muscle strength and activities of daily living when compared to END-DM1 natural history data.

In June 2024, we initiated and began administration of del-desiran in people living with DM1 in our ongoing global Phase 3 HARBOR™ trial and enrollment remains on track. In October 2024, the FDA removed the partial clinical hold placed on del-desiran in September 2022.

Phase 1/2 EXPLORE44™ for DMD44 (del-zota)

We are developing del-zota to treat people living with Duchenne muscular dystrophy amenable to exon 44 skipping (DMD44). Del-zota is designed to deliver phosphorodiamidate morpholino oligomers (PMO) to skeletal muscle and heart tissue to specifically skip exon 44 of dystrophin mRNA to enable dystrophin production. Del-zota is currently in Phase 1/2 development as part of the EXPLORE44™ trial in people with DMD44. Del-zota is the first of multiple AOCs we are developing for DMD.

In August 2024, we reported initial data from the 5 mg/kg cohort of our EXPLORE44 trial in people living with DMD44. These data demonstrated consistent delivery of PMO in skeletal muscle, an increase in the mean dystrophin production of 25% of normal and a mean increase of 37% in exon 44 skipping. In addition, del-zota showed greater than 80% reduction of creatine kinase compared to baseline in people living with DMD44.

The initial assessment from the randomized, double-blind, placebo-controlled EXPLORE44 trial assessed the safety and tolerability for 25 participants across two dose levels (5 mg/kg and 10 mg/kg). Del-zota demonstrated favorable safety and tolerability, with most treatment emergent adverse events (AEs) mild or moderate in participants with DMD44. Two participants discontinued from the study: one due to a serious adverse event of anaphylaxis which fully resolved and one due to moderate infusion related reaction. For the 5 mg/kg cohort, participants received three doses of 5 mg/kg of del-zota, or placebo, every six weeks.

Enrollment is now complete for the EXPLORE44 study. Participants in the EXPLORE44 trial have the option to enroll in the EXPLORE44 Open-Label Extension (OLE) for del-zota. In addition, we have begun enrolling an additional 10-15 participants directly into the EXPLORE44-OLE. We also announced plans to advance additional exon-skipping candidates from our DMD franchise. Exon 45 is currently in IND-enabling studies for the treatment of people living with DMD mutations amendable to exon 45 skipping (DMD45). Additional targeted exons have not been disclosed.

Phase 1/2 FORTITUDE™ for FSHD (del-brax)

We are developing del-brax to treat the underlying cause of facioscapulohumeral muscular dystrophy (FSHD), which is the abnormal expression of the DUX4 gene. Del-brax aims to reduce the expression of DUX4 mRNA and DUX4 protein in muscles in people with FSHD. Del-brax is currently in Phase 1/2 development as part of the FORTITUDE™ trial in adults living with FSHD. In July, the first participants from FORTITUDE™ began to roll over to the FORTITUDE Open-Label Extension (OLE) trial. All participants that complete FORTITUDE ™ are eligible to enroll in the FORTITUDE-OLE™ trial.

In October 2024, we announced the initiation of the biomarker cohort in the Phase 1/2 FORTITUDE ™ trial of del-brax. The biomarker cohort in the FORTITUDE trial will assess the impact of del-brax 2 mg/kg every six weeks in people living with FSHD, ages 16-70. The primary endpoints of the study are changes in DUX4 regulated gene expression and DUX4 regulated circulating biomarker. We are pursuing a potential accelerated approval path for del-brax and expect enrollment in the biomarker cohort to be completed in the first half of 2025. We remain on track to initiate the functional cohort for del-brax in the first of half of 2025.

In June 2024, we shared initial del-brax data from our Phase 1/2 FORTITUDE™ trial from our 2mg/kg cohort which demonstrated consistent reductions of greater than 50% in double homeobox 4, or DUX4 regulated genes, trends of functional improvement, and favorable safety and tolerability in people living with FSHD. The initial assessment from the randomized, double-blind, placebo-controlled FORTITUDE™ trial of del-brax provided a four-month look at the safety and tolerability for all 39 participants across two dose levels (2 mg/kg and 4 mg/kg).

Company Advancements

We continue to advance and expand our internal discovery pipeline with the addition of new research and development candidates to treat conditions in skeletal muscle and precision cardiology. In November 2024, we plan to provide a first look at precision cardiology candidates and share a glimpse into our next-generation technology innovations.

We are well positioned as we build an integrated global biopharmaceutical company and continue to deliver on the RNA revolution. In addition to our own internal research programs, we continue to explore the full potential of our AOC platform through collaborations and partnerships, including programs in immunology, cardiology and other select indications outside of muscle.

Since our inception in 2012, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, developing our proprietary AOC platform, identifying potential product candidates, establishing our intellectual property portfolio, conducting research, preclinical and clinical studies, and providing other general and administrative support for these operations. We have not generated any revenue from product sales. We are currently building our global commercial infrastructure in North America and Europe to support our anticipated launches of products currently in clinical development. In June 2020, we completed our initial public offering, or IPO, and have since raised capital through additional public offerings, private placements, sales agreements, and under collaboration and research license agreements. Refer to “Liquidity and Capital Resources” for further information on the capital raised since inception and our future capital requirements.

We have incurred operating losses in each year since inception. Our net losses were $212.2 million and $174.0 million for the years ended December 31, 2023 and 2022, respectively, and $220.0 million for the nine months ended September 30, 2024. As of September 30, 2024, we had an accumulated deficit of $790.8 million. We expect our expenses and operating losses will increase substantially as we conduct our ongoing and planned preclinical studies and clinical trials, continue our research and development activities, utilize third parties to manufacture our product candidates and related raw materials, hire additional personnel and protect our intellectual property. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our preclinical studies and clinical trials and our expenditures on other research and development activities, as well as the generation of any collaboration and services revenue.

Based upon our current operating plans, we believe that our existing cash, cash equivalents and marketable securities of approximately $1.6 billion (as of September 30, 2024) will be sufficient to fund our operations for at least 12 months from the date of the filing of this Form 10-Q. While we may generate revenue under our current and/or future collaboration agreements, we do not expect to generate any revenues from product sales until we successfully complete development and obtain regulatory approval for one or more of our product candidates, which we expect will take a number of years and may never occur. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed, on favorable terms or at all. Our failure to raise capital or enter into such other arrangements when needed would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Research Collaboration with Bristol Myers Squibb

In November 2023, we entered into (i) a Research Collaboration and License Agreement, or the BMS Collaboration Agreement, with Bristol Myers Squibb Company, or BMS, to expand on our research with MyoKardia for up to five targets utilizing our proprietary AOC platform technology and (ii) a Securities Purchase Agreement with BMS, or the BMS Purchase Agreement, for the purchase by BMS in a private placement of 5,075,304 shares of our common stock at a purchase price of $7.8813 per share, for an aggregate purchase price of approximately $40 million. We refer to the BMS Collaboration Agreement and the BMS Purchase Agreement together as the "BMS Agreements." Under the terms of the BMS Agreements, we received approximately $100 million upfront, which includes a $60 million cash payment under the terms of the BMS Collaboration Agreement, and approximately $40 million for the purchase of our common stock under the terms of the BMS Purchase Agreement. We are also eligible to receive up to approximately $1.35 billion in research and development milestone payments, up to approximately $825 million in commercial milestone payments, and tiered royalties from high single digits to low double-digits on net sales. We are responsible for our own research collaboration costs incurred under the agreement, subject to a cumulative spending limit of $40 million. BMS will fund all future clinical development, regulatory and commercialization activities coming from this collaboration.

Research Collaboration and License Agreement with Eli Lilly and Company

In April 2019, we entered into a Research Collaboration and License Agreement, or the Lilly Agreement, with Eli Lilly and Company, or Lilly, for the discovery, development and commercialization of AOC products in immunology and other select indications on a worldwide basis. Under the Lilly Agreement, we and Lilly will collaborate on preclinical research and discovery activities for such products, with Lilly being responsible for funding the cost of such activities by both parties. Lilly will also lead the clinical development, regulatory approval and commercialization of all such products, at its sole cost. We granted Lilly an exclusive, worldwide, royalty-bearing license, with the right to sublicense, under our technology to research, develop, manufacture, and sell products containing AOCs that are directed to up to six mRNA targets. We retain the right to use our technology to perform our obligations under the agreement and for all purposes not granted to Lilly. Lilly paid us an upfront license fee of $20.0 million in 2019, and we are eligible to receive up to $60.0 million in development milestone payments per target, up to $140.0 million in regulatory milestone payments per target and up to $205.0 million in commercialization milestone payments per target. We are eligible to receive a tiered royalty ranging from the mid-single to low-double digits from Lilly on worldwide annual net sales of licensed products, subject to specified and capped reductions for the market entry of biosimilar products, loss of patent coverage of licensed products and for payments owed to third parties for additional rights necessary to commercialize licensed products in the territory.

Components of Results of Operations

Revenue

Our revenue to date has been derived from payments received under research collaboration and license agreements. For the foreseeable future, we may generate revenue from a combination of upfront payments, milestone payments and reimbursement of services under our current and/or future collaboration agreements. We do not expect to generate any revenue from the sale of products unless and until such time that our product candidates have advanced through clinical development and regulatory approval, if ever. We expect that any revenue we generate, if at all, will fluctuate from quarter-to-quarter as a result of the timing and amount of payments relating to such services and milestones and the extent to which any of our products are approved and successfully commercialized. If we fail to complete preclinical and clinical development of product candidates or obtain regulatory approval for them, our ability to generate future revenues and our results of operations and financial position would be adversely affected.

Operating Expenses

Research and Development

Research and development expenses consist of external and internal costs associated with our research and development activities, including our discovery and research efforts, and the preclinical and clinical development of our product candidates. Our research and development expenses include:

- external costs, including expenses incurred under arrangements with third parties, such as contract research organizations, contract manufacturers, consultants and our scientific advisors; and
- internal costs, including;
  - employee-related expenses, including salaries, benefits and stock-based compensation;
  - the costs of laboratory supplies and acquiring, developing and manufacturing preclinical study materials; and
  - facilities, information technology and depreciation, which include direct and allocated expenses for rent and maintenance of facilities and depreciation of leasehold improvements and equipment.

Research and development costs, including costs reimbursed under the Lilly Agreement, are expensed as incurred, with reimbursements of such amounts being recognized as revenue. We account for nonrefundable advance payments for goods and services that will be used in future research and development activities as expenses when the service has been performed or when the goods have been received.

At any one time, we are working on multiple programs. Our internal resources, employees and infrastructure are not directly tied to any one research or drug discovery program and are typically deployed across multiple programs.

We expect our research and development expenses to increase for the foreseeable future as we continue to conduct our ongoing research and development activities, advance our preclinical research programs toward clinical development, including conducting IND-enabling studies, and conduct clinical trials. The process of conducting preclinical studies and clinical trials necessary to obtain regulatory approval is costly and time consuming. We may never succeed in achieving marketing approval for any of our product candidates.

The timelines and costs associated with research and development activities are uncertain, can vary significantly for each product candidate and development program, and are difficult to predict. We anticipate we will make determinations as to which programs to pursue and how much funding to direct to each program on an ongoing basis in response to preclinical and clinical results, regulatory developments, ongoing assessments as to each program's commercial potential, and our ability to maintain or enter into new collaborations, to the extent we determine the resources or expertise of a collaborator would be beneficial for a given program. We will need to raise substantial additional capital in the future. In addition, we cannot forecast which development programs may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Our development costs may vary significantly based on factors such as:

- the number and scope of clinical, preclinical and IND-enabling studies;
- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the number of patients that participate in the trials;
- the number of doses that patients receive;
- the drop-out or discontinuation rates of patients;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the cost and timing of manufacturing our product candidates;
- the phase of development of our product candidates; and
- the efficacy and safety profile of our product candidates.

General and Administrative

General and administrative expenses consist primarily of employee-related expenses, including salaries, benefits and stock-based compensation, for employees in our executive, finance, accounting, legal, business development and support functions. Other general and administrative expenses include allocated facility, information technology and depreciation related costs not otherwise included in research and development expenses, and professional fees for auditing, tax, intellectual property, and legal services. Costs related to filing and pursuing patent applications are recognized as general and administrative expenses as incurred since recoverability of such expenditures is uncertain.

We expect our general and administrative expenses will increase for the foreseeable future to support our increased research and development activities and other corporate activities.

Other Income (Expense)

Other income (expense) consists primarily of interest earned on our cash, cash equivalents, and marketable securities.

Results of Operations

Comparison of the Three and Nine Months Ended September 30, 2024 and 2023

The following table summarizes our results of operations for the periods presented (in thousands):

	Three Months Ended September 30,		Change	Nine Months Ended September 30,		Change
	2024	2023		2024	2023	
Revenue	$ 2,336	$ 2,818	$ (482)	$ 7,924	$ 7,367	$ 557
Research and development expenses	77,197	47,714	29,483	207,968	138,151	69,817
General and administrative expenses	23,273	13,729	9,544	57,902	38,071	19,831
Other income	17,736	6,267	11,469	37,901	17,078	20,823

Revenue

Revenue decreased by $0.5 million for the three months ended September 30, 2024 and 2023, primarily due to the recognition of revenues under the Lilly agreement in the prior year for which there were no revenues recognized in the current year comparative period, offset by an increase in revenues recognized under the BMS Agreement in the current year for which there were no revenues recognized in the prior year comparative period. Revenue increased by $0.6 million for the nine months ended September 30, 2024 and 2023, primarily due to the recognition of revenues under the BMS agreement in the current year for which there were no revenues recognized in the prior year comparative period.

Research and Development Expenses

The following tables illustrate the components of our research and development expenses for the periods presented (in thousands):

	Three Months Ended September 30,		Change	Nine Months Ended September 30,		Change
	2024	2023		2024	2023	
External costs:						
Del-desiran	$ 15,578	$ 7,301	$ 8,277	$ 33,719	$ 18,477	$ 15,242
Del-brax	6,900	3,840	3,060	20,831	12,957	7,874
Del-zota	8,671	5,195	3,476	19,591	12,887	6,704
Other programs	1,158	1,744	(586)	3,582	6,732	(3,150)
Unallocated	16,330	7,122	9,208	49,895	22,114	27,781
Total external costs	48,637	25,202	23,435	127,618	73,167	54,451
Internal costs:						
Employee-related expenses	22,823	17,102	5,721	63,713	50,075	13,638
Facilities, lab supplies and other	5,737	5,410	327	16,637	14,909	1,728
Total internal costs	28,560	22,512	6,048	80,350	64,984	15,366
Total research and development expenses	$ 77,197	$ 47,714	$ 29,483	$ 207,968	$ 138,151	$ 69,817

Research and development expenses increased by $29.5 million for the three months ended September 30, 2024 as compared to the same period in 2023, primarily due to increased external costs associated with the progression of clinical trials and preclinical studies, including $8.3 million in higher manufacturing costs related to monoclonal antibodies used across programs, as well as higher internal costs including $5.7 million in higher personnel costs. Similarly, research and development costs increased by $69.8

million for the nine months ended September 30, 2024 as compared to the same period in 2023, due to increased external costs associated with the progression of clinical trials and preclinical studies, including $29.0 million in higher manufacturing cost related to monoclonal antibodies used across programs, as well as higher internal costs including $13.6 million in higher personnel costs.

General and Administrative Expenses

General and administrative expenses increased by $9.5 million for the three months ended September 30, 2024 as compared to the same period in 2023, primarily due to $6.4 million in higher personnel costs and $2.0 million in higher professional fees to support our expanded operations. Similarly, general and administrative expenses increased by $19.8 million for the nine months ended September 30, 2024 as compared to the same period in 2023, primarily due to $13.9 million in higher personnel costs and $2.7 million in higher professional fees to support our expanded operations.

Other Income

Other income increased by $11.5 million and $20.8 million for the three and nine months ended September 30, 2024 and 2023 respectively, due to higher interest income earned on marketable securities investments and cash and cash equivalent balances.

Liquidity and Capital Resources

Sources of Liquidity

On November 8, 2022, we entered into a sales agreement, or the 2022 Sales Agreement, with Cowen and Company, LLC, or the 2022 Sales Agent, which has since been terminated, as discussed below. Under the 2022 Sales Agreement, we could, from time to time, sell shares of our common stock having an aggregate offering price of up to $200.0 million through the 2022 Sales Agent. Sales of the shares of common stock, if any, would be made at prevailing market prices at the time of sale, or as otherwise agreed with the 2022 Sales Agent. We were not obligated to sell, and the 2022 Sales Agent was not obligated to buy or sell, any shares of common stock under the 2022 Sales Agreement. During the nine months ended September 30, 2024 and 2023, we sold 418,408 and 4,107,810 shares of our common stock, respectively, pursuant to the 2022 Sales Agreement and received net proceeds of $5.6 million and $60.5 million, respectively, after deducting offering-related transaction costs and commissions.

On March 4, 2024, we completed a private placement of 15,224,773 shares of our common stock at a price of $16.50 per share and pre-funded warrants to purchase an aggregate 9,030,851 shares of our common stock at a price of $16.499 per pre-funded warrant. The net proceeds from the private placement were $379.8 million after deducting placement fees and offering costs of $20.4 million. Each pre-funded warrant has an exercise price of $0.001 per share of common stock, is immediately exercisable, and does not expire.

On June 17, 2024, we completed a public offering of 12,132,500 shares of its common stock at a public offering price of $38.00 per share. Net proceeds from the offering were approximately $432.8 million, after deducting underwriting discounts and offering expenses of $28.3 million. The shares sold in the offering were registered pursuant to our shelf registration statement on Form S-3, which became automatically effective upon filing on May 9, 2024.

On August 9, 2024, we entered into a sales agreement (the 2024 Sales Agreement) with TD Securities (USA) LLC (the 2024 Sales Agent) with substantially similar terms as the 2022 Sales Agreement. The 2022 Sales Agreement was terminated upon effectiveness of the 2024 Sales Agreement. Under the 2024 Sales Agreement, we may, from time to time, sell shares of our common stock having an aggregate offering price of up to $400.0 million through the 2024 Sales Agent. Sales of the shares of common stock, if any, will be made at prevailing market prices at the time of sale, or as otherwise agreed with the 2024 Sales Agent. We are not obligated to sell, and the 2024 Sales Agent is not obligated to buy or sell, any shares of common stock under the 2024 Sales Agreement. As of September 30, 2024, we had not sold any shares of our common stock under the 2024 Sales Agreement.

On August 16, 2024, we completed a public offering of 8,418,000 shares of our common stock at a public offering price of $41.00 per share. Net proceeds from the offering were approximately $323.7 million, after deducting underwriting discounts and offering expenses of $21.4 million. The shares sold in the offering were

registered pursuant to our shelf registration statement on Form S-3, which became automatically effective upon filing on May 9, 2024.

Since our inception through September 30, 2024, other significant sources of capital raised to fund our operations were comprised of $274.1 million from our IPO, $378.9 million from follow-on public offerings, $140.6 million of net proceeds under a previous sales agreement (2021 Sales Agreement), aggregate gross proceeds of $131.6 million from the sale and issuance of convertible preferred stock and convertible notes, and $144.6 million from funding under collaboration and research services agreements, including approximately $40.0 million related to the sale of shares of common stock in November 2023 to BMS in a private placement under the BMS Purchase Agreement.

Future Capital Requirements

As of September 30, 2024, we had cash, cash equivalents and marketable securities of $1.6 billion. Based upon our current operating plans, we believe that our existing cash, cash equivalents, and marketable securities will be sufficient to fund our operations for at least 12 months from the date of the filing of this Form 10-Q. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. We have based this estimate on assumptions that may prove to be wrong, and we could deplete our capital resources sooner than we expect. Additionally, the process of conducting preclinical studies and testing product candidates in clinical trials is costly, and the timing of progress and expenses in these studies and trials is uncertain.

Our future capital requirements are difficult to forecast and will depend on many factors, including but not limited to:

- the type, number, scope, progress, expansions, results, costs, and timing of discovery, preclinical studies, and clinical trials of our product candidates that we are pursuing or may choose to pursue in the future;
- the costs and timing of manufacturing for our product candidates and preparation for possible commercial operations if any product candidate is approved;
- the costs, timing, and outcome of regulatory review of our product candidates;
- the terms and timing of establishing and maintaining collaborations, licenses and other arrangements;
- the costs of obtaining, maintaining, and enforcing our patents and other intellectual property rights;
- the costs associated with hiring additional personnel and consultants as our preclinical and clinical activities, and preparation for future commercial activities, if any, increase;
- the timing and amount of the milestone or other payments made to us under our existing and any future collaboration agreements;
- the costs and timing of establishing or securing sales and marketing capabilities if any product candidate is approved;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products; and
- costs associated with any products or technologies that we may in-license or acquire.

While we may generate revenue under our current and/or future collaboration agreements, we do not expect to generate any revenues from product sales until we successfully complete development and obtain regulatory approval for one or more of our product candidates, which we expect will take a number of years and may never occur. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing, and distribution. Accordingly, until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our cash needs through equity offerings, debt financings, or other capital sources, including current and potential future collaborations, licenses and other arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed, on favorable terms or at all. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Our failure to raise capital or enter into such other arrangements when needed would have a negative impact on our financial condition

and could force us to delay, limit, reduce, or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Cash Flows

The following table summarizes our cash flows for the periods presented (in thousands):

	Nine Months Ended September 30,		Change
	2024	2023	
Net cash provided by (used in):			
Operating activities	$ (200,999)	$ (135,565)	$ (65,434)
Investing activities	(790,029)	(181,110)	(608,919)
Financing activities	1,178,633	61,973	1,116,660
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 187,605	$ (254,702)	$ 442,307

Operating Activities

Net cash used in operating activities of $201.0 million and $135.6 million for the nine months ended September 30, 2024 and 2023, respectively, consisted primarily of cash used to fund our operations related to the development of clinical trials, preclinical studies, and other programs. The increase is due to increased research and development costs as well as general and administrative expenses as described under “Results of Operations” above.

Investing Activities

Net cash used in investing activities of $790.0 million for the nine months ended September 30, 2024 consisted primarily of $1.1 billion for purchases of marketable securities and reinvestment of proceeds from matured marketable securities as well as $3.2 million in purchases of property and equipment, offset by $349.7 million of proceeds from maturities of marketable securities. Net cash used in investing activities of $181.1 million for the nine months ended September 30, 2023 consisted of $407.2 million for purchases of marketable securities due to investing the proceeds from the sale of common stock of $223.8 million in December 2022 and reinvestment of proceeds from matured marketable securities, and $3.4 million in purchases of property and equipment, partially offset by $229.5 million of proceeds from maturities of marketable securities.

Financing Activities

Net cash provided by financing activities of $1.2 billion for the nine months ended September 30, 2024 consisted primarily of $1.0 billion in net proceeds from sales of our common stock, $141.4 million in net proceeds from the sale of pre-funded warrants in a private placement, and $36.2 million in proceeds from the issuance of common stock under employee incentive equity plans. Net cash provided by financing activities of $62.0 million for the nine months ended September 30, 2023 consisted primarily of net proceeds from sales of our common stock made pursuant to the 2022 Sales Agreement.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses. On an ongoing basis, we evaluate these estimates and judgments. We base our estimates on historical experience and on various assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue and expenses that are not readily apparent from other sources. Actual results may differ materially from these estimates. As of September 30, 2024, there have been no material changes to our critical accounting estimates from those disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates," included in our annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024.

Contractual Obligations and Commitments

In April 2024, we entered into a sublease agreement to rent office and laboratory space for our future corporate headquarters. Total aggregate future lease commitments under the sublease agreement are approximately $72.6 million. Refer to Note 7, "Commitments and Contingencies" to our condensed consolidated financial statements included elsewhere in this quarterly report on Form 10-Q for further details. Except for the sublease agreement, as of September 30, 2024, there have been no material changes outside the ordinary course of our business to the contractual obligations we reported in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Contractual Obligations and Commitments," included in our annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of September 30, 2024, there have been no material changes in our market risk from that described in “Quantitative and Qualitative Disclosures About Market Risk,” included in our annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic and current reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. In reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. In addition, the design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated, as of the end of the period covered by this quarterly report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, our principal executive officer and principal financial officer have concluded that, as of September 30, 2024, our disclosure controls and procedures were not effective at the reasonable assurance level due to a material weakness in internal control over financial reporting described below.

As disclosed in Item 9A, “Controls and Procedures” of our annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024, we previously identified a material weakness in our internal control over financial reporting with respect to segregation of duties over certain information technology general controls (ITGCs) related to a module within our enterprise resource planning (ERP) system. These ITGCs were not operating effectively to (i) restrict access to certain data and the ability to make changes thereto, and (ii) to monitor changes to such data. While the control deficiency identified did not result in any misstatements, a reasonable possibility exists that a material misstatement to the annual or interim financial statements and disclosures would not have been prevented or detected on a timely basis. Notwithstanding the identified material weakness, our management believes the unaudited Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in accordance with GAAP.

Remediation

Our management is committed to maintaining a strong internal control environment. As discussed above and disclosed in Item 9A, “Controls and Procedures” of our annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024, we have changed the relevant access to address the known segregation of duties issues and will update our access review controls to include additional procedures. While we believe the actions taken thus far are substantive in addressing this control issue, we will consider this remediated once applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We will continue to monitor through testing the effectiveness of these actions to ensure these controls continue to operate effectively.

Changes in Internal Control Over Financial Reporting

Except as described above, there have been no changes in our internal control over financial reporting during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not currently subject to any material legal proceedings. From time to time, we may be involved in legal proceedings or subject to claims incident to the ordinary course of business. Regardless of the outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

ITEM 1A. RISK FACTORS

We do not believe that there have been any material changes to the risk factors set forth in Part I, Item 1A of our annual report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 28, 2024. The risk factors described in such reports are not the only risks we face. Factors that are not currently known to us, factors that we currently consider immaterial or factors that are not specific to us, such as general economic conditions, may also materially adversely affect our business or financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

From time to time, our officers (as defined in Rule 16a–1(f)) and directors may enter into Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as each such term is defined in Item 408 of Regulation S-K). During the three months ended September 30, 2024, our officers and directors took the following actions with respect to such trading arrangements:

			Trading Arrangement			
	Action	Date	Rule 10b5-1*	Non-Rule 10b5-1**	Total Shares to be Sold	Expiration Date
Sarah Boyce (President, Chief Executive Officer and Director)	Adopt	8/15/2024	X		500,000	12/31/2026
Michael MacLean (Chief Financial and Chief Business Officer)	Adopt	7/8/2024	X		327,655 (1)	10/31/2025
John B. Moriarty, Jr. (Chief Legal Officer)	Adopt	9/20/2024	X		(2)	(3)

* Intended to satisfy the affirmative defense of Rule 10b5-1(c)

** Not intended to satisfy the affirmative defense of Rule 10b5-1(c)

(1) Subject to increase based on a future award of our common stock covered by this 10b5-1 plan, the number of such securities is not able to be determined as of the date hereof.

(2) Under our 2020 Incentive Award Plan, recipients of RSUs and PSUs are required to sell a number of shares that satisfies applicable tax withholding obligations upon a taxable event such as a vesting date. The participant listed in this table has executed an instruction letter to our broker for the sale of such minimum number of shares, at the then-applicable market price, sufficient to cover applicable tax withholding obligations, at the statutory minimum applicable statutory rate, for such person. This instruction letter qualifies as a Rule 10b5-1 trading arrangement but may exist concurrent with another 10b5-1 trading arrangement for the same individual, as permitted by Rule 10b5-1(c)(1)(ii)(D)(3) under the Exchange Act.

(3) This instruction letter shall remain in effect for so long as the individual owns RSUs or PSUs.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Amended and Restated Certificate of Incorporation	8-K	6/16/2020	3.1	
3.2	Amended and Restated Bylaws	8-K	12/13/2023	3.1	
4.1	Form of Common Stock Certificate	S-1	5/22/2020	4.1	
4.2	Form of Pre-Funded Warrant	8-K	2/29/2024	4.1	
10.1	Sales Agreement, dated August 9, 2024, by and between Avidity Biosciences, Inc. and TD Securities (USA) LLC	10-Q	8/9/2024	10.2	
10.2	Amended and Restated Employment Agreement, dated August 26, 2024, by and between Avidity Biosciences, Inc. and Sarah Boyce.				X
10.3	Amended and Restated Employment Agreement, dated August 26, 2024, by and between Avidity Biosciences, Inc. and Michael MacLean.				X
10.4	Amended and Restated Employment Agreement, dated August 26, 2024, by and between Avidity Biosciences, Inc. and W. Michael Flanagan.				X
10.5	Amended and Restated Employment Agreement, dated August 26, 2024, by and between Avidity Biosciences, Inc. and Teresa McCarthy.				X
10.6	Amended and Restated Employment Agreement, dated August 26, 2024, by and between Avidity Biosciences, Inc. and John B. Moriarty, Jr.				X
31.1	Certification of Chief Executive Officer of Avidity Biosciences, Inc., as required by Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Chief Financial Officer of Avidity Biosciences, Inc., as required by Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1*	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2*	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				X

* This certification is deemed not filed for purpose of section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

SIGNATURES

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

Avidity Biosciences, Inc.

Date: November 7, 2024

By: /s/ Sarah Boyce

Sarah Boyce
President, Chief Executive Officer and Director
(Principal Executive Officer)

Date: November 7, 2024

By: /s/ Michael F. MacLean

Michael F. MacLean
Chief Financial and Chief Business Officer
(Principal Financial and Accounting Officer)

Exhibit 10.2

August 26, 2024

Sarah Boyce
c/o Avidity Biosciences, Inc.
10578 Science Center Drive, Suite 125
San Diego, CA 92121

Re: Amended and Restated Employment Agreement

Dear Sarah:

Avidity Biosciences, Inc. (the "**Company**") and you entered into that certain Amended and Restated Employment Agreement, dated as of May 15, 2020 (the "**Prior Agreement**"). The Company and you desire to amend and restate the Prior Agreement on the terms and conditions set forth in this letter agreement (the "**Agreement**"), effective immediately.

1. **Title.** You will continue to serve as the Company's President and Chief Executive Officer.

2. **Duties.** You will be responsible for the general operations and management of the Company and other duties or areas of responsibility that may be reasonably requested from time to time by the Company's Board of Directors (the "**Board**"), to whom you will report. You shall devote your best efforts and full business time, skill and attention to the performance of your duties. You will also be expected to adhere to the general employment policies and practices of the Company that may be in effect from time to time, except that when the terms of this Agreement conflict with the Company's general employment policies or practices, this Agreement will control.

3. **Salary.** You will be paid an annual base salary of $659,900, less applicable deductions and withholdings, to be paid each month in accordance with the Company's payroll practices, as may be in effect from time to time.

4. **Benefits.** You will continue to be eligible to participate in the Company's standard benefit programs, subject to the terms and conditions of such plans. The Company may, from time to time, change these benefits in its discretion. Additional information regarding these benefits is available for your review upon request.

5. **Equity Awards.** You will remain eligible to receive Stock Awards (as defined below) covering the Company's common stock under the equity plans maintained by the Company.

6. **Performance Bonuses.** You will be eligible to earn an annual incentive bonus equal to fifty-five percent (55%) of your annual base salary (your "**Target Bonus**"). Whether you receive such a bonus, and the amount of any such bonus, shall be determined by the Board (or duly authorized committee thereof) in its sole discretion, and shall be based upon achievement of performance objectives established by the Board (or duly authorized committee thereof) and other criteria to be determined by the Board (or duly authorized committee thereof). Any bonus shall be paid within thirty (30) days after the Board's (or such committee's) determination that a bonus

shall be awarded. Except as described in Section 7 below, you must be employed on the day that your bonus (if any) is paid in order to earn the bonus. Therefore, if your employment is terminated either by you or the Company for any reason prior to the bonus being paid, you will not have earned the bonus and no partial or prorated bonus will be paid.

7. **At-Will Employment; Termination.**

(a) **At-Will Employment.** Your employment with Company will be "at-will." This means that either you or Company may terminate your employment at any time, with or without Cause or Good Reason (each as defined below), and with or without advance notice. In the event of your termination of employment for any reason, the Company shall pay to you (i) your fully earned but unpaid base salary, when due, through the date of your termination of employment at the rate then in effect, (ii) accrued and unused vacation and/or paid time off, (iii) if your termination occurs after the occurrence of a Change of Control and after the conclusion of a calendar year in respect of which no annual bonus has yet been paid (i.e., such termination occurs on or after January 1, but before the designated payment date for the annual bonus in respect of such completed calendar year), your annual bonus for such completed calendar year based on actual performance as determined by the Board (or duly authorized committee thereof), paid when annual bonuses are paid to the Company's employees generally for such completed calendar year, but in all events prior to March 15 of the calendar year in which your termination occurs, plus (iv) all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which you may be entitled pursuant to the terms of such plans or agreements at the time of your termination of employment (the "**Accrued Obligations**").

(b) **Termination For Cause; Resignation Without Good Reason.** If, at any time, the Company terminates your employment for Cause, you resign without Good Reason, or if either party terminates your employment as a result of your death or disability, you will receive the Accrued Obligations. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits.

(c) **Termination Without Cause; Resignation With Good Reason Not in Connection With a Change of Control.** If at any time other than during the Change of Control Period (as defined below), the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, and provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Severance Benefits**"):

(i) an amount equal to eighteen (18) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), to be paid over such

eighteen (18) month period, on the schedule described in clause (e) below (the "**Salary Continuation**");[1] and

(ii) if you timely elect continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the eighteen (18) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "**Special Severance Payment**"), for the remainder of the COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease.

(d) **Termination Without Cause; Resignation With Good Reason During the Change of Control Period.** If the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, in each case within fifty-nine (59) days prior to or twenty-four (24) months following the effective date of a Change of Control (as defined herein) (the "**Change of Control Period**"), and provided such termination constitutes a Separation from Service, then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Change of Control Severance Benefits**") in lieu of the Severance Benefits (and for the avoidance of doubt, in no event will you be entitled to both the Severance Benefits and the Change of Control Severance Benefits):

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[1] **Note to Draft**: Other C-Suite executives to provide for lump sum payout.

(i) an amount equal to twenty-four (24) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), less all applicable withholdings and deductions, to be paid as follows: (A) an amount equal to eighteen (18) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution) shall be paid in substantially equal installments over eighteen (18) months following your termination, on the schedule described in clause (e) below (the "**Change of Control Salary Continuation**"), and (B) an amount equal to six (6) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution) shall be paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(ii) an amount equal to 200% of your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iii) an amount equal to your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), prorated for the portion of the year that has elapsed through your date of termination of employment with the Company, less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iv) if you timely elect continued coverage under COBRA for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the eighteen (18) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**Change of Control COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the Change of Control COBRA Payment Period, the Special Severance

Payment, for the remainder of the Change of Control COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease;

(v) an amount equal to (A) the monthly COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date (calculated based on the premium as of the date of termination), multiplied by (B) six (6), paid in a lump sum on the sixtieth (60th) day following your Separation from Service; and

(vi) acceleration of 100% of any unvested time-based Stock Awards. Such acceleration shall be effective as of the later of (A) the effective date of your Separation from Service, or (B) the date of such Change of Control (for the avoidance of doubt, the accelerated vesting of any Stock Awards that are performance-based shall be governed by the applicable equity plan and agreement or plan regarding such Stock Award pursuant to which they were granted). The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any agreement or plan regarding such Stock Award (and, for the avoidance of doubt, if any Stock Award is subject to more favorable vesting pursuant to any agreement or plan regarding such Stock Award, such more favorable provisions shall continue to apply and shall not be limited by this clause (vii)).

(e) **Conditions For Receipt of Severance Benefits or Change of Control Severance Benefits.** The Severance Benefits or Change of Control Severance Benefits are conditional upon (x) your continuing to comply with your obligations under your Employee Invention Assignment and Confidentiality Agreement; (y) your delivering to the Company an effective, general release of claims in favor of the Company in substantially the form attached hereto as **Exhibit A** (the "**Release**"), and any revocation period thereunder having expired, within sixty (60) days following your termination date; and (z) if you are a member of the Board, your resignation from the Board, to be effective no later than the date of your termination date (or such other date as requested by the Board). The Salary Continuation or Change of Control Salary Continuation will be paid in equal installments on the Company's regular payroll schedule and will be subject to applicable tax withholdings over the period outlined above following the date of your Separation from Service; provided, however, that no payments will be made prior to the sixtieth (60th) day following your Separation from Service. On the sixtieth (60th) day following your Separation from Service, the Company will pay you in a lump sum the Salary Continuation or Change of Control Salary Continuation, as applicable, that you would have received on or prior to such date under the original schedule but for the delay while waiting for the sixtieth (60th) day in compliance with Code Section 409A and the effectiveness of the Release, with the balance of

the Salary Continuation or Change of Control Salary Continuation, as applicable, being paid as originally scheduled.

(f) **No Mitigation**. You shall not be required in any way to mitigate the amount of any payment provided for in this Section 7, including, without limitation, by seeking other employment, nor shall the amount of any payment provided for in this Section 7 be reduced by any compensation earned by you as the result of employment with another employer after the termination date of employment, or otherwise.

(g) **Definitions**.

(i) **Definition of Cause.** For purposes of this Agreement, "**Cause**" shall mean one or more of the following: (A) your willful failure substantially to perform your duties and responsibilities to the Company or deliberate violation of a Company policy; (B) your commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (C) your unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; or (D) your willful breach of any of your obligations under any written agreement or covenant with the Company. The determination as to whether you are being terminated for Cause shall be made in good faith by the Board. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time.

(ii) **Definition of Good Reason.** For purposes of this Agreement, "**Good Reason**" shall mean your resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent:

(A) a material reduction in your base salary or Target Bonus if such a reduction is not made in proportion to an across-the-board reduction for all senior executives of the Company (and for the avoidance of doubt, following a Change of Control, the reference to senior executives of the Company shall include, without limitation, the senior executives of the ultimate parent entity of the Company (or its successor));

(B) a material reduction or material adverse change in your duties, responsibilities and/or authorities, including, without limitation, following a Change of Control, your ceasing to report to the board of directors of the ultimate parent entity of the Company (or its successor), and/or your ceasing to serve as the chief executive officer of such ultimate parent entity;

(C) relocation of your principal place of employment to a place that increases your one-way commute by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation; or

(D) any other action or inaction that constitutes a material breach by the Company of this Agreement or any agreement under which you provide services.

Provided, however that, such termination by you shall only be deemed for Good Reason pursuant to the foregoing definition if (i) the Company is given written notice from you within ninety (90)

days following the first occurrence of the condition that you consider to constitute Good Reason describing the condition and the Company fails to satisfactorily remedy such condition within thirty (30) days following such written notice, and (ii) you terminate employment within ninety (90) days following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

(iii) **Definition of Change of Control.** For purposes of this Agreement, "**Change of Control**" shall have the meaning given to such term in the Company's 2020 Incentive Award Plan as in effect on the date hereof. Notwithstanding the foregoing, if a Change of Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change of Control must also constitute a "change in control event" (as defined in Treasury Regulation Section 1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

(iv) **Definition of Stock Awards.** For purposes of this Agreement, "**Stock Awards**" shall mean all stock options, restricted stock and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

8. **Section 409A.** It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Code Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the

requirements that (A) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Agreement), (B) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of any eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute "nonqualified deferred compensation" subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a Separation from Service.

9. **Parachute Payments.**

(a) **Best Pay Provision**. In the event that any payment or benefit received or to be received by you pursuant to the terms of any plan, arrangement or agreement (including any payment or benefit received in connection with a change in ownership or control or the termination of your employment) (all such payments and benefits being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part) to the excise tax (the "**Excise Tax**") imposed under Section 4999 of the Code, then the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (after subtracting the amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which you would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). Except to the extent that an alternative reduction order would result in a greater economic benefit to you on an after-tax basis, the Parties intend that the Total Payments shall be reduced in the following order: (w) reduction of any cash severance payments otherwise payable to you that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to you that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to you on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any equity award that is exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code; provided, in case of clauses (x), (y) and (z), that reduction of any payments or benefits attributable to the acceleration of vesting of Company equity awards shall be first applied to equity awards with later vesting dates; provided, further, that, notwithstanding the foregoing, any such reduction shall be undertaken in a manner that complies with and does not result in the imposition of additional taxes on you under Section 409A of the Code. The foregoing reductions shall be made in a manner that

results in the maximum economic benefit to you on an after-tax basis and, to the extent economically equivalent payments or benefits are subject to reduction, in a pro rata manner.

(b) **Determinations**. All determinations regarding the application of this Section 9 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the "***280G Firm***"). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments shall be taken into account which (x) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, or (y) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, (ii) no portion of the Total Payments the receipt or enjoyment of which you shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the 280G Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. All determinations related to the calculations to be performed pursuant to this Section 9 shall be done by the 280G Firm in consultation with the Company. The 280G Firm will be directed to submit its determination and detailed supporting calculations to both you and the Company within fifteen (15) days after notification from either the Company or you that you may receive payments which may be "parachute payments." You and the Company will each provide the 280G Firm access to and copies of any books, records, and documents as may be reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Agreement. The fees and expenses of the 280G Firm for its services in connection with the determinations and calculations contemplated by this Agreement will be borne solely by the Company.

10. **Confidentiality Obligations.**

(a) **Confidentiality Obligations.** In connection with your employment, you have signed and agreed to abide by the Company's standard form of Employee Invention Assignment and Confidentiality Agreement, a copy of which is attached hereto as **Exhibit B** (the "**Confidentiality Agreement**"). In your work for the Company, you are expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you are expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You hereby represent that your employment does not create a conflict with any agreement between you and a third party.

(b) **Other Protections**. You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the confidential information to your attorney and use the confidential information in the court proceeding, if you file any document containing the confidential information under seal, and do not disclose the confidential information, except pursuant to court order. In addition, nothing in this Agreement or the Confidentiality Agreement shall prevent you from (x) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the U.S. Equal Employment Opportunity Commission, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (y) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, such as the right to engage in concerted activity, including collective action or discussion concerning wages or working conditions, or (z) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination based on a protected characteristic or any other conduct that you have reason to believe is unlawful.

11. **Arbitration.** To ensure the timely and economical resolution of disputes that may arise in connection with your employment with the Company, to the extent permitted by applicable law, you and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, your employment, or the termination of your employment, including but not limited to statutory claims, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, or if inapplicable, the California Arbitration Act, and to the fullest extent permitted by law by final, binding and confidential arbitration, by a single neutral arbitrator in San Diego, California, chosen jointly by the parties, and will be conducted by JAMS, Inc. ("**JAMS**") under the then applicable JAMS rules (which can be found at the following web address: https://www.jamsadr.com/rules-employment-arbitration/ or will be provided to you upon request without charge). If the parties cannot agree on an arbitrator, then JAMS shall appoint an arbitrator in accordance with JAMS rules. **By agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The Company acknowledges that you will have the right to be represented by legal counsel at any arbitration proceeding. In addition, all claims, disputes, or causes of action under this paragraph, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall

proceed in a court of law rather than by arbitration. This paragraph shall not apply to an action or claim brought in court pursuant to the California Private Attorneys General Act of 2004, as amended. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees in excess of the amount of court fees that would be required of you if the dispute were filed in Superior Court. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

12. **Successors.** This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties or rights hereunder without the express written consent of the Company. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform any of the Company's obligations under this Agreement.

13. **Miscellaneous.** This Agreement, including the exhibits hereto, is the complete and exclusive statement of all of the terms and conditions of your employment with the Company, and supersedes and replaces any and all prior agreements or representations with regard to the subject matter hereof, whether written or oral, including, without limitation, the Prior Agreement. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified, amended or extended except in a writing signed by you and a duly authorized officer of the Company. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein. This Agreement and the terms of your employment with the Company shall be governed in all aspects by the laws of the State of California.

14. **Indemnification**. You will receive defense and be indemnified by the Company to the full extent of the provisions of the Company's charter and bylaws and applicable California and Delaware law and the Indemnification Agreement between you and the Company attached hereto as **Exhibit C**.

15. **Withholding and other Deductions**. All compensation payable to you hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

16. **Notices**. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or one (1) business day after being sent by a nationally recognized overnight delivery service, charges prepaid. Notices also may be given electronically via PDF and shall be effective on the date transmitted if confirmed within forty-eight (48) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Notice to you shall be sent to your most recent residence and personal email address on file with the Company. Notice to the Company shall be sent to its physical address set forth on the first page hereto and addressed to the Chairperson of the Board at the email address provided by the Company for such person.

[SIGNATURE PAGE FOLLOWS]

Best regards,

AVIDITY BIOSCIENCES, INC.

/s/ Troy Wilson
Troy Wilson
Chairman of the Board
Date: August 26, 2024

Accepted and agreed:

/s/ Sarah Boyce
Sarah Boyce
Date: August 26, 2024

Exhibit 10.3

August 26, 2024

VIA EMAIL

Michael F. MacLean
c/o Avidity Biosciences, Inc.
10578 Science Center Drive, Suite 125
San Diego, CA 92121

Re: Amended and Restated Employment Agreement

Dear Mike:

Avidity Biosciences, Inc. (the "**Company**") and you entered into that certain Employment Agreement, dated as of May 14, 2020 (the "**Prior Agreement**"). The Company and you desire to amend and restate the Prior Agreement on the terms and conditions set forth in this letter agreement (the "**Agreement**"), effective immediately.

1. **Title**. You will continue to serve as the Company's Chief Financial and Business Officer.

2. **Duties.** You will be responsible for performing such duties as are customary for your position and any other duties or areas of responsibility that may be reasonably requested from time to time by the Company's Chief Executive Officer, to whom you will report. You shall devote your best efforts and full business time, skill and attention to the performance of your duties. You will also be expected to adhere to the general employment policies and practices of the Company that may be in effect from time to time, except that when the terms of this Agreement conflict with the Company's general employment policies or practices, this Agreement will control. Your primary work location shall be Boston, Massachusetts. The Company reserves the right to reasonably require you to perform your duties at places other than your primary work location from time to time, and to require reasonable business travel with reimbursement in a manner consistent with the Company's travel reimbursement policies.

3. **Salary.** You will be paid an annual base salary of $490,800 less applicable deductions and withholdings, to be paid each month in accordance with the Company's payroll practices, as may be in effect from time to time.

4. **Benefits.** You will continue to be eligible to participate in the Company's standard benefit programs, subject to the terms and conditions of such plans. The Company may, from time to time, change these benefits in its discretion. Additional information regarding these benefits is available for your review upon request.

5. **Equity Awards.** You will remain eligible to receive Stock Awards (as defined below) covering the Company's common stock under the equity plans maintained by the Company.

6. **Performance Bonuses.** You will be eligible to earn an annual incentive bonus equal to forty percent (40%) of your annual base salary (your "**Target Bonus**"). Whether you receive such a bonus, and the amount of any such bonus, shall be determined by the Company's Board of Directors (the "**Board**") (or duly authorized committee thereof) in its sole discretion, and shall be based upon achievement of performance objectives established by the Board (or duly authorized committee thereof) and other criteria to be determined by the Board (or duly authorized committee thereof). Any bonus shall be paid within thirty (30) days after the Board's (or such committee's) determination that a bonus shall be awarded. Except as described in Section 7 below, you must be employed on the day that your bonus (if any) is paid in order to earn the bonus. Therefore, if your employment is terminated either by you or the Company for any reason prior to the bonus being paid, you will not have earned the bonus and no partial or prorated bonus will be paid.

7. **At-Will Employment; Termination.**

(a) **At-Will Employment.** Your employment with Company will be "at-will." This means that either you or Company may terminate your employment at any time, with or without Cause or Good Reason (each as defined below), and with or without advance notice. In the event of your termination of employment for any reason, the Company shall pay to you (i) your fully earned but unpaid base salary, when due, through the date of your termination of employment at the rate then in effect, (ii) accrued and unused vacation and/or paid time off, (iii) if your termination occurs after the occurrence of a Change of Control and after the conclusion of a calendar year in respect of which no annual bonus has yet been paid (i.e., such termination occurs on or after January 1, but before the designated payment date for the annual bonus in respect of such completed calendar year), your annual bonus for such completed calendar year based on actual performance as determined by the Board (or duly authorized committee thereof), paid when annual bonuses are paid to the Company's employees generally for such completed calendar year, but in all events prior to March 15 of the calendar year in which your termination occurs, plus (iv) all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which you may be entitled pursuant to the terms of such plans or agreements at the time of your termination of employment (the "**Accrued Obligations**"). If you are terminated for Cause, notwithstanding language to the contrary in the Company's 2020 Incentive Award Plan or any award agreement, you will have three (3) months from your termination date to exercise your vested Stock Awards.

(b) **Termination For Cause; Resignation Without Good Reason.** If, at any time, the Company terminates your employment for Cause, you resign without Good Reason, or if either party terminates your employment as a result of your death or disability, you will receive the Accrued Obligations. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits.

(c) **Termination Without Cause; Resignation With Good Reason Not in Connection With a Change of Control.** If at any time other than during the Change of Control Period (as defined below), the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, and provided such termination constitutes a "separation from service" (as defined under

Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Severance Benefits**"):

(i) an amount equal to twelve (12) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Salary Severance**");

(ii) if you timely elect continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the twelve (12) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "**Special Severance Payment**"), for the remainder of the COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease; and

(iii) your vested Stock Awards will remain exercisable by you until the latest of (A) six (6) months after the date of your termination of employment, or (B) such longer period as may be specified in the applicable Stock Award agreement; provided that in no event shall any Stock Award remain exercisable beyond the original outside expiration date of such Stock Award.

(d) **Termination Without Cause; Resignation With Good Reason During the Change of Control Period.** If the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, in each case within fifty-nine (59) days prior to or twenty-four (24) months following the effective date of a Change of Control (as defined herein) (the "**Change of Control Period**"), and provided such termination constitutes a Separation from Service, then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Change of Control Severance Benefits**") in lieu of the Severance Benefits (and for the avoidance of doubt, in no event will you be entitled to both the Severance Benefits and the Change of Control Severance Benefits):

(i) an amount equal to eighteen (18) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), less all applicable withholdings and deductions, to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Change of Control Salary Severance**");

(ii) an amount equal to 150% of your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iii) an amount equal to your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), prorated for the portion of the year that has elapsed through your date of termination of employment with the Company, less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iv) if you timely elect continued coverage under COBRA for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the eighteen (18) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**Change of Control COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as

amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the Change of Control COBRA Payment Period, the Special Severance Payment, for the remainder of the Change of Control COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease; and

(v) (x) acceleration of 100% of any unvested time-based Stock Awards. Such acceleration shall be effective as of the later of (A) the effective date of your Separation from Service, or (B) the date of such Change of Control (for the avoidance of doubt, the accelerated vesting of any Stock Awards that are performance-based shall be governed by the applicable equity plan and agreement or plan regarding such Stock Award pursuant to which they were granted), and (y) your vested Stock Awards will remain exercisable by you until the latest of (A) six (6) months after the date of your termination of employment, or (B) such longer period as may be specified in the applicable Stock Award agreement; provided that in no event shall any Stock Award remain exercisable beyond the original outside expiration date of such Stock Award. The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any agreement or plan regarding such Stock Award (and, for the avoidance of doubt, if any Stock Award is subject to more favorable vesting pursuant to any agreement or plan regarding such Stock Award, such more favorable provisions shall continue to apply and shall not be limited by this clause (v)).

(e) **Conditions For Receipt of Severance Benefits or Change of Control Severance Benefits.** The Severance Benefits or Change of Control Severance Benefits are conditional upon (x) your continuing to comply with your obligations under your Employee Invention Assignment and Confidentiality Agreement; (y) your delivering to the Company an effective, general release of claims in favor of the Company in substantially the form attached hereto as **Exhibit A** (the "**Release**"), and any revocation period thereunder having expired, within sixty (60) days following your termination date; and (z) if you are a member of the Board, your resignation from the Board, to be effective no later than the date of your termination date (or such other date as requested by the Board).

(f) **No Mitigation**. You shall not be required in any way to mitigate the amount of any payment provided for in this Section 7, including, without limitation, by seeking other employment, nor shall the amount of any payment provided for in this Section 7 be reduced by any compensation earned by you as the result of employment with another employer after the termination date of employment, or otherwise.

(g) **Definitions.**

(i) **Definition of Cause.** For purposes of this Agreement, "**Cause**" shall mean one or more of the following: (A) your willful failure substantially to perform your duties and responsibilities to the Company causing material harm to the Company after written notice to you specifying such failure and your failure to cure within sixty (60) days or deliberate violation of a written Company policy causing material harm to the Company; (B) your commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (C) your unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; or (D) your willful breach of any of your obligations under any written agreement or covenant with the Company. The determination as to whether you are being terminated for Cause shall be made in good faith by the Board. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time.

(ii) **Definition of Good Reason.** For purposes of this Agreement, "**Good Reason**" shall mean your resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent:

(A) a material reduction in your base salary or Target Bonus if such a reduction is not made in proportion to an across-the-board reduction for all senior executives of the Company (and for the avoidance of doubt, following a Change of Control, the reference to senior executives of the Company shall include, without limitation, the senior executives of the ultimate parent entity of the Company (or its successor));

(B) a material reduction or material adverse change in your duties, responsibilities and/or authorities or a requirement that you report to someone other than the Company's Chief Executive Officer, including, without limitation, following a Change of Control, your ceasing to report to the chief executive officer of the ultimate parent entity of the Company (or its successor), and/or your ceasing to serve as the Chief Financial and Business Officer of such ultimate parent entity; *provided that,* prior to a Change of Control, it shall not constitute Good Reason if such reduction is a mere change of title alone;

(C) relocation of your principal place of employment to a place that increases your one-way commute by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation; or

(D) any other action or inaction that constitutes a material breach by the Company of this Agreement or any agreement under which you provide services.

Provided, however that, such termination by you shall only be deemed for Good Reason pursuant to the foregoing definition if (i) the Company is given written notice from you within ninety (90) days following the first occurrence of the condition that you consider to constitute Good Reason describing the condition and the Company fails to satisfactorily remedy such condition within thirty (30) days following such written notice, and (ii) you terminate employment within ninety

(90) days following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

(iii) **Definition of Change of Control.** For purposes of this Agreement, "**Change of Control**" shall have the meaning given to such term in the Company's 2020 Incentive Award Plan as in effect on the date hereof. Notwithstanding the foregoing, if a Change of Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change of Control must also constitute a "change in control event" (as defined in Treasury Regulation Section 1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

(iv) **Definition of Stock Awards**. For purposes of this Agreement, "Stock Awards" shall mean all stock options, restricted stock and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

8. **Section 409A.** It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Code Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (A) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Agreement), (B) the amount of expenses eligible for reimbursement during a

calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of any eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute "nonqualified deferred compensation" subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a Separation from Service.

9. **Parachute Payments.**

(a) **Best Pay Provision**. In the event that any payment or benefit received or to be received by you pursuant to the terms of any plan, arrangement or agreement (including any payment or benefit received in connection with a change in ownership or control or the termination of your employment) (all such payments and benefits being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part) to the excise tax (the "**Excise Tax**") imposed under Section 4999 of the Code, then the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (after subtracting the amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which you would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). Except to the extent that an alternative reduction order would result in a greater economic benefit to you on an after-tax basis, the Parties intend that the Total Payments shall be reduced in the following order: (w) reduction of any cash severance payments otherwise payable to you that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to you that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to you on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any equity award that is exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code; provided, in case of clauses (x), (y) and (z), that reduction of any payments or benefits attributable to the acceleration of vesting of Company equity awards shall be first applied to equity awards with later vesting dates; provided, further, that, notwithstanding the foregoing, any such reduction shall be undertaken in a manner that complies with and does not result in the imposition of additional taxes on you under Section 409A of the Code. The foregoing reductions shall be made in a manner that results in the maximum economic benefit to you on an after-tax basis and, to the extent economically equivalent payments or benefits are subject to reduction, in a pro rata manner.

(b) **Determinations**. All determinations regarding the application of this Section 9 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the "**280G Firm**"). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments shall be taken into account which (x) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, or (y) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, (ii) no portion of the Total Payments the receipt or enjoyment of which you shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the 280G Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. All determinations related to the calculations to be performed pursuant to this Section 9 shall be done by the 280G Firm in consultation with the Company. The 280G Firm will be directed to submit its determination and detailed supporting calculations to both you and the Company within fifteen (15) days after notification from either the Company or you that you may receive payments which may be "parachute payments." You and the Company will each provide the 280G Firm access to and copies of any books, records, and documents as may be reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Agreement. The fees and expenses of the 280G Firm for its services in connection with the determinations and calculations contemplated by this Agreement will be borne solely by the Company.

10. **Confidentiality Obligations.**

(a) **Confidentiality Obligations.** In connection with your employment, you have signed and agreed to abide by the Company's standard form of Employee Invention Assignment and Confidentiality Agreement, a copy of which is attached hereto as **Exhibit B** (the "**Confidentiality Agreement**"). In your work for the Company, you are expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you are expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You hereby represent that your employment does not create a conflict with any agreement between you and a third party.

(b) **Other Protections**. You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend

Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the confidential information to your attorney and use the confidential information in the court proceeding, if you file any document containing the confidential information under seal, and do not disclose the confidential information, except pursuant to court order. In addition, nothing in this Agreement or the Confidentiality Agreement shall prevent you from (x) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the U.S. Equal Employment Opportunity Commission, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (y) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, such as the right to engage in concerted activity, including collective action or discussion concerning wages or working conditions, or (z) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination based on a protected characteristic or any other conduct that you have reason to believe is unlawful.

11. **Arbitration.** To ensure the timely and economical resolution of disputes that may arise in connection with your employment with the Company, to the extent permitted by applicable law, you and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, your employment, or the termination of your employment, including but not limited to statutory claims, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law by final, binding and confidential arbitration, by a single neutral arbitrator in Suffolk County, Massachusetts, chosen jointly by the parties, and will be conducted by JAMS, Inc. ("**JAMS**") under the then applicable JAMS rules (which can be found at the following web address: https://www.jamsadr.com/rules-employment-arbitration/ or will be provided to you upon request without charge). If the parties cannot agree on an arbitrator, then JAMS shall appoint an arbitrator in accordance with JAMS rules. **By agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The Company acknowledges that you will have the right to be represented by legal counsel at any arbitration proceeding. In addition, all claims, disputes, or causes of action under this paragraph, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to an action or claim brought in court pursuant to the California Private Attorneys General Act of

2004, as amended. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees in excess of the amount of court fees that would be required of you if the dispute were filed in Superior Court. The Company shall pay your reasonable attorneys' fees and costs should you prevail in the arbitration. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

12. **Successors.** This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties or rights hereunder without the express written consent of the Company. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform any of the Company's obligations under this Agreement.

13. **Miscellaneous.** This Agreement, including the exhibits hereto, is the complete and exclusive statement of all of the terms and conditions of your employment with the Company, and supersedes and replaces any and all prior agreements or representations with regard to the subject matter hereof, whether written or oral, including, without limitation, the Prior Agreement. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified, amended or extended except in a writing signed by you and a duly authorized officer of the Company. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein. This Agreement and the terms of your employment with the Company shall be governed in all aspects by the laws of the Commonwealth of Massachusetts.

14. **Indemnification**. You will receive defense and be indemnified by the Company to the full extent of the provisions of the Company's charter and bylaws and applicable Massachusetts and Delaware law and the Indemnification Agreement between you and the Company attached hereto as **Exhibit C**.

15. **Withholding and other Deductions**. All compensation payable to you hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

16. **Notices**. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or one (1) business day after being sent by a nationally recognized overnight delivery service, charges prepaid. Notices also may be given electronically via PDF and shall be effective on the date transmitted if confirmed within forty-eight (48) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Notice to you shall be sent to your most recent residence and personal email address on file with the Company. Notice to the Company shall be sent to its physical address set forth on the first page hereto and addressed to the Chief Executive Officer at the email address provided by the Company for such person.

[SIGNATURE PAGE FOLLOWS]

Best regards,

AVIDITY BIOSCIENCES, INC.

/s/ Sarah Boyce
Sarah Boyce
President and Chief Executive Officer
Date: August 27, 2024

Accepted and agreed:

/s/ Michael F. MacLean
Michael F. MacLean
Date: August 27, 2024

Exhibit 10.4

August 26, 2024

VIA EMAIL

W. Michael Flanagan, Ph.D.
c/o Avidity Biosciences, Inc.
10578 Science Center Drive, Suite 125
San Diego, CA 92121

Re: Amended and Restated Employment Agreement

Dear Mike:

Avidity Biosciences, Inc. (the "**Company**") and you entered into that certain Employment Agreement, dated as of December 8, 2020 (the "**Prior Agreement**"). The Company and you desire to amend and restate the Prior Agreement on the terms and conditions set forth in this letter agreement (the "**Agreement**"), effective immediately.

1. **Title**. You will continue to serve as the Company's Chief Scientific and Technical Officer.

2. **Duties.** You will be responsible for performing such duties as are customary for your position and any other duties or areas of responsibility that may be reasonably requested from time to time by the Company's Chief Executive Officer, to whom you will report. You shall devote your best efforts and full business time, skill and attention to the performance of your duties. You will also be expected to adhere to the general employment policies and practices of the Company that may be in effect from time to time, except that when the terms of this Agreement conflict with the Company's general employment policies or practices, this Agreement will control. Your primary work location shall be La Jolla, California. The Company reserves the right to reasonably require you to perform your duties at places other than your primary work location from time to time, and to require reasonable business travel with reimbursement in a manner consistent with the Company's travel reimbursement policies.

3. **Salary.** You will be paid an annual base salary of $500,300, less applicable deductions and withholdings, to be paid each month in accordance with the Company's payroll practices, as may be in effect from time to time.

4. **Benefits.** You will continue to be eligible to participate in the Company's standard benefit programs, subject to the terms and conditions of such plans. The Company may, from time to time, change these benefits in its discretion. Additional information regarding these benefits is available for your review upon request.

5. **Equity Awards.** You will remain eligible to receive Stock Awards (as defined below) covering the Company's common stock under the equity plans maintained by the Company.

6. **Performance Bonuses.** You will be eligible to earn an annual incentive bonus equal to forty percent (40%) of your annual base salary (your "**Target Bonus**"). Whether you receive such a bonus, and the amount of any such bonus, shall be determined by the Company's Board of Directors (the "**Board**") (or duly authorized committee thereof) in its sole discretion, and shall be based upon achievement of performance objectives established by the Board (or duly authorized committee thereof) and other criteria to be determined by the Board (or duly authorized committee thereof). Any bonus shall be paid within thirty (30) days after the Board's (or such committee's) determination that a bonus shall be awarded. Except as described in Section 7 below, you must be employed on the day that your bonus (if any) is paid in order to earn the bonus. Therefore, if your employment is terminated either by you or the Company for any reason prior to the bonus being paid, you will not have earned the bonus and no partial or prorated bonus will be paid.

7. **At-Will Employment; Termination.**

(a) **At-Will Employment.** Your employment with Company will be "at-will." This means that either you or Company may terminate your employment at any time, with or without Cause or Good Reason (each as defined below), and with or without advance notice. In the event of your termination of employment for any reason, the Company shall pay to you (i) your fully earned but unpaid base salary, when due, through the date of your termination of employment at the rate then in effect, (ii) accrued and unused vacation and/or paid time off, (iii) if your termination occurs after the occurrence of a Change of Control and after the conclusion of a calendar year in respect of which no annual bonus has yet been paid (i.e., such termination occurs on or after January 1, but before the designated payment date for the annual bonus in respect of such completed calendar year), your annual bonus for such completed calendar year based on actual performance as determined by the Board (or duly authorized committee thereof), paid when annual bonuses are paid to the Company's employees generally for such completed calendar year, but in all events prior to March 15 of the calendar year in which your termination occurs, plus (iv) all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which you may be entitled pursuant to the terms of such plans or agreements at the time of your termination of employment (the "**Accrued Obligations**").

(b) **Termination For Cause; Resignation Without Good Reason.** If, at any time, the Company terminates your employment for Cause, you resign without Good Reason, or if either party terminates your employment as a result of your death or disability, you will receive the Accrued Obligations. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits.

(c) **Termination Without Cause; Resignation With Good Reason Not in Connection With a Change of Control.** If at any time other than during the Change of Control Period (as defined below), the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, and provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Severance Benefits**"):

(i) an amount equal to twelve (12) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Salary Severance**"); and

(ii) if you timely elect continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the twelve (12) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "**Special Severance Payment**"), for the remainder of the COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease.

(d) **Termination Without Cause; Resignation With Good Reason During the Change of Control Period.** If the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, in each case within fifty-nine (59) days prior to or twenty-four (24) months following the effective date of a Change of Control (as defined herein) (the "**Change of Control Period**"), and provided such termination constitutes a Separation from Service, then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Change of Control Severance Benefits**") in lieu of the Severance Benefits (and

for the avoidance of doubt, in no event will you be entitled to both the Severance Benefits and the Change of Control Severance Benefits):

(i) an amount equal to eighteen (18) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), less all applicable withholdings and deductions, to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Change of Control Salary Severance**");

(ii) an amount equal to 150% of your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iii) an amount equal to your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), prorated for the portion of the year that has elapsed through your date of termination of employment with the Company, less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iv) if you timely elect continued coverage under COBRA for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the eighteen (18) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**Change of Control COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the Change of Control COBRA Payment Period, the Special Severance Payment, for the remainder of the Change of Control COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would

have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease; and

(v) acceleration of 100% of any unvested time-based Stock Awards. Such acceleration shall be effective as of the later of (A) the effective date of your Separation from Service, or (B) the date of such Change of Control (for the avoidance of doubt, the accelerated vesting of any Stock Awards that are performance-based shall be governed by the applicable equity plan and agreement or plan regarding such Stock Award pursuant to which they were granted). The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any agreement or plan regarding such Stock Award (and, for the avoidance of doubt, if any Stock Award is subject to more favorable vesting pursuant to any agreement or plan regarding such Stock Award, such more favorable provisions shall continue to apply and shall not be limited by this clause (v)).

(e) **Conditions For Receipt of Severance Benefits or Change of Control Severance Benefits.** The Severance Benefits or Change of Control Severance Benefits are conditional upon (x) your continuing to comply with your obligations under your Employee Invention Assignment and Confidentiality Agreement; (y) your delivering to the Company an effective, general release of claims in favor of the Company in substantially the form attached hereto as **Exhibit A** (the "**Release**"), and any revocation period thereunder having expired, within sixty (60) days following your termination date; and (z) if you are a member of the Board, your resignation from the Board, to be effective no later than the date of your termination date (or such other date as requested by the Board).

(f) **No Mitigation**. You shall not be required in any way to mitigate the amount of any payment provided for in this Section 7, including, without limitation, by seeking other employment, nor shall the amount of any payment provided for in this Section 7 be reduced by any compensation earned by you as the result of employment with another employer after the termination date of employment, or otherwise.

(g) **Definitions.**

(i) **Definition of Cause.** For purposes of this Agreement, "**Cause**" shall mean one or more of the following: (A) your willful failure substantially to perform your duties and responsibilities to the Company or deliberate violation of a Company policy (B) your commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (C) your unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; or (D) your willful breach of any of your obligations under any written agreement or covenant with the Company. The determination as to whether you are being

terminated for Cause shall be made in good faith by the Board. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time.

(ii) **Definition of Good Reason.** For purposes of this Agreement, "**Good Reason**" shall mean your resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent:

(A) a material reduction in your base salary or Target Bonus if such a reduction is not made in proportion to an across-the-board reduction for all senior executives of the Company (and for the avoidance of doubt, following a Change of Control, the reference to senior executives of the Company shall include, without limitation, the senior executives of the ultimate parent entity of the Company (or its successor));

(B) a material reduction or material adverse change in your duties, responsibilities and/or authorities including, without limitation, following a Change of Control, your ceasing to report to the chief executive officer of the ultimate parent entity of the Company (or its successor), and/or your ceasing to serve as the Chief Scientific and Technical Officer of such ultimate parent entity; *provided that,* prior to a Change of Control, it shall not constitute Good Reason if such reduction is a mere change of title alone or change in reporting relationship;

(C) relocation of your principal place of employment to a place that increases your one-way commute by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation; or

(D) any other action or inaction that constitutes a material breach by the Company of this Agreement or any agreement under which you provide services.

Provided, however that, such termination by you shall only be deemed for Good Reason pursuant to the foregoing definition if (i) the Company is given written notice from you within ninety (90) days following the first occurrence of the condition that you consider to constitute Good Reason describing the condition and the Company fails to satisfactorily remedy such condition within thirty (30) days following such written notice, and (ii) you terminate employment within ninety (90) days following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

(iii) **Definition of Change of Control.** For purposes of this Agreement, "**Change of Control**" shall have the meaning given to such term in the Company's 2020 Incentive Award Plan as in effect on the date hereof. Notwithstanding the foregoing, if a Change of Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change of Control must also constitute a "change in control event" (as defined in Treasury Regulation Section 1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

(iv) **Definition of Stock Awards**. For purposes of this Agreement, "Stock Awards" shall mean all stock options, restricted stock and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

8. **Section 409A.** It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Code Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (A) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Agreement), (B) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of any eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute "nonqualified deferred compensation" subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a Separation from Service.

9. **Parachute Payments.**

(a) **Best Pay Provision**. In the event that any payment or benefit received or to be received by you pursuant to the terms of any plan, arrangement or agreement (including any payment or benefit received in connection with a change in ownership or control or the termination of your employment) (all such payments and benefits being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part) to the excise tax (the "**Excise Tax**") imposed under Section 4999 of the Code, then the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (after subtracting the amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which you would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). Except to the extent that an alternative reduction order would result in a greater economic benefit to you on an after-tax basis, the Parties intend that the Total Payments shall be reduced in the following order: (w) reduction of any cash severance payments otherwise payable to you that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to you that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to you on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any equity award that is exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code; provided, in case of clauses (x), (y) and (z), that reduction of any payments or benefits attributable to the acceleration of vesting of Company equity awards shall be first applied to equity awards with later vesting dates; provided, further, that, notwithstanding the foregoing, any such reduction shall be undertaken in a manner that complies with and does not result in the imposition of additional taxes on you under Section 409A of the Code. The foregoing reductions shall be made in a manner that results in the maximum economic benefit to you on an after-tax basis and, to the extent economically equivalent payments or benefits are subject to reduction, in a pro rata manner.

(b) **Determinations**. All determinations regarding the application of this Section 9 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the "**280G Firm**"). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments shall be taken into account which (x) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason

of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, or (y) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, (ii) no portion of the Total Payments the receipt or enjoyment of which you shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the 280G Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. All determinations related to the calculations to be performed pursuant to this Section 9 shall be done by the 280G Firm in consultation with the Company. The 280G Firm will be directed to submit its determination and detailed supporting calculations to both you and the Company within fifteen (15) days after notification from either the Company or you that you may receive payments which may be "parachute payments." You and the Company will each provide the 280G Firm access to and copies of any books, records, and documents as may be reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Agreement. The fees and expenses of the 280G Firm for its services in connection with the determinations and calculations contemplated by this Agreement will be borne solely by the Company.

10. **Confidentiality Obligations.**

(a) **Confidentiality Obligations.** In connection with your employment, you have signed and agreed to abide by the Company's standard form of Employee Invention Assignment and Confidentiality Agreement, a copy of which is attached hereto as **Exhibit B** (the "**Confidentiality Agreement**"). In your work for the Company, you are expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you are expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You hereby represent that your employment does not create a conflict with any agreement between you and a third party.

(b) **Other Protections**. You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the confidential information to your attorney and use the

confidential information in the court proceeding, if you file any document containing the confidential information under seal, and do not disclose the confidential information, except pursuant to court order. In addition, nothing in this Agreement or the Confidentiality Agreement shall prevent you from (x) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the U.S. Equal Employment Opportunity Commission, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (y) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, such as the right to engage in concerted activity, including collective action or discussion concerning wages or working conditions, or (z) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination based on a protected characteristic or any other conduct that you have reason to believe is unlawful.

11. **Arbitration.** To ensure the timely and economical resolution of disputes that may arise in connection with your employment with the Company, to the extent permitted by applicable law, you and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, your employment, or the termination of your employment, including but not limited to statutory claims, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, or if inapplicable, the California Arbitration Act, and to the fullest extent permitted by law by final, binding and confidential arbitration, by a single neutral arbitrator in San Diego County, California, chosen jointly by the parties, and will be conducted by JAMS, Inc. ("**JAMS**") under the then applicable JAMS rules (which can be found at the following web address: https://www.jamsadr.com/rules-employment-arbitration/ or will be provided to you upon request without charge). If the parties cannot agree on an arbitrator, then JAMS shall appoint an arbitrator in accordance with JAMS rules. **By agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The Company acknowledges that you will have the right to be represented by legal counsel at any arbitration proceeding. In addition, all claims, disputes, or causes of action under this paragraph, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to an action or claim brought in court pursuant to the California Private Attorneys General Act of 2004, as amended. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees in excess of the amount of court fees that would be required of you if the dispute were filed in Superior Court. Nothing in this Agreement is intended to prevent either you or the

Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

12. **Successors.** This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties or rights hereunder without the express written consent of the Company. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform any of the Company's obligations under this Agreement.

13. **Miscellaneous.** This Agreement, including the exhibits hereto, is the complete and exclusive statement of all of the terms and conditions of your employment with the Company, and supersedes and replaces any and all prior agreements or representations with regard to the subject matter hereof, whether written or oral, including, without limitation, the Prior Agreement. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified, amended or extended except in a writing signed by you and a duly authorized officer of the Company. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein. This Agreement and the terms of your employment with the Company shall be governed in all aspects by the laws of the State of California.

14. **Indemnification**. You will receive defense and be indemnified by the Company to the full extent of the provisions of the Company's charter and bylaws and applicable California and Delaware law and the Indemnification Agreement between you and the Company attached hereto as **Exhibit C**.

15. **Withholding and other Deductions**. All compensation payable to you hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

16. **Notices**. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or one (1) business day after being sent by a nationally recognized overnight delivery service, charges prepaid. Notices also may be given electronically via PDF and shall be effective on the date transmitted if confirmed within forty-eight (48) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Notice to you shall be sent to your most recent residence and personal email address on file with the Company. Notice to the Company shall be sent to its physical address set forth on the first page hereto and addressed to the Chief Executive Officer at the email address provided by the Company for such person.

[SIGNATURE PAGE FOLLOWS]

Best regards,

AVIDITY BIOSCIENCES, INC.

/s/ Sarah Boyce
Sarah Boyce
President and Chief Executive Officer
Date: August 26, 2024

Accepted and agreed:

/s/ Michael Flanagan
W. Michael Flanagan, Ph.D.
Date: August 26, 2024

Exhibit 10.5

August 26, 2024

VIA EMAIL

Teresa McCarthy
c/o Avidity Biosciences, Inc.
10578 Science Center Drive, Suite 125
San Diego, CA 92121

Re: Amended and Restated Employment Agreement

Dear Teresa:

Avidity Biosciences, Inc. (the "**Company**") and you entered into that certain Employment Agreement, dated as of August 14, 2020 (the "**Prior Agreement**"). The Company and you desire to amend and restate the Prior Agreement on the terms and conditions set forth in this letter agreement (the "**Agreement**"), effective immediately.

1. **Title**. You will continue to serve as the Company's Chief Human Resources Officer.

2. **Duties.** You will be responsible for performing such duties as are customary for your position and any other duties or areas of responsibility that may be reasonably requested from time to time by the Company's Chief Executive Officer, to whom you will report. You shall devote your best efforts and full business time, skill and attention to the performance of your duties. You will also be expected to adhere to the general employment policies and practices of the Company that may be in effect from time to time, except that when the terms of this Agreement conflict with the Company's general employment policies or practices, this Agreement will control. Your primary work location shall be Missoula, Montana. The Company reserves the right to reasonably require you to perform your duties at places other than your primary work location from time to time, and to require reasonable business travel with reimbursement in a manner consistent with the Company's travel reimbursement policies.

3. **Salary.** You will be paid an annual base salary of $456,900, less applicable deductions and withholdings, to be paid each month in accordance with the Company's payroll practices, as may be in effect from time to time.

4. **Benefits.** You will continue to be eligible to participate in the Company's standard benefit programs, subject to the terms and conditions of such plans. The Company may, from time to time, change these benefits in its discretion. Additional information regarding these benefits is available for your review upon request.

5. **Equity Awards.** You will remain eligible to receive Stock Awards (as defined below) covering the Company's common stock under the equity plans maintained by the Company.

6. **Performance Bonuses.** You will be eligible to earn an annual incentive bonus equal to forty percent (40%) of your annual base salary (your "**Target Bonus**"). Whether you receive such a bonus, and the amount of any such bonus, shall be determined by the Company's Board of Directors (the "**Board**") (or duly authorized committee thereof) in its sole discretion, and shall be based upon achievement of performance objectives established by the Board (or duly authorized committee thereof) and other criteria to be determined by the Board (or duly authorized committee thereof). Any bonus shall be paid within thirty (30) days after the Board's (or such committee's) determination that a bonus shall be awarded. Except as described in Section 7 below, you must be employed on the day that your bonus (if any) is paid in order to earn the bonus. Therefore, if your employment is terminated either by you or the Company for any reason prior to the bonus being paid, you will not have earned the bonus and no partial or prorated bonus will be paid.

7. **At-Will Employment; Termination.**

(a) **At-Will Employment.** Your employment with Company will be "at-will." This means that either you or Company may terminate your employment at any time, with or without Cause or Good Reason (each as defined below), and with or without advance notice. In the event of your termination of employment for any reason, the Company shall pay to you (i) your fully earned but unpaid base salary, when due, through the date of your termination of employment at the rate then in effect, (ii) accrued and unused vacation and/or paid time off, (iii) if your termination occurs after the occurrence of a Change of Control and after the conclusion of a calendar year in respect of which no annual bonus has yet been paid (i.e., such termination occurs on or after January 1, but before the designated payment date for the annual bonus in respect of such completed calendar year), your annual bonus for such completed calendar year based on actual performance as determined by the Board (or duly authorized committee thereof), paid when annual bonuses are paid to the Company's employees generally for such completed calendar year, but in all events prior to March 15 of the calendar year in which your termination occurs, plus (iv) all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which you may be entitled pursuant to the terms of such plans or agreements at the time of your termination of employment (the "**Accrued Obligations**").

(b) **Termination For Cause; Resignation Without Good Reason.** If, at any time, the Company terminates your employment for Cause, you resign without Good Reason, or if either party terminates your employment as a result of your death or disability, you will receive the Accrued Obligations. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits.

(c) **Termination Without Cause; Resignation With Good Reason Not in Connection With a Change of Control.** If at any time other than during the Change of Control Period (as defined below), the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, and provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder, a "**Separation from Service**"), then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Severance Benefits**"):

(i) an amount equal to twelve (12) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Salary Severance**"); and

(ii) if you timely elect continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the twelve (12) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "**Special Severance Payment**"), for the remainder of the COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease.

(d) **Termination Without Cause; Resignation With Good Reason During the Change of Control Period.** If the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, in each case within fifty-nine (59) days prior to or twenty-four (24) months following the effective date of a Change of Control (as defined herein) (the "**Change of Control Period**"), and provided such termination constitutes a Separation from Service, then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Change of Control Severance Benefits**") in lieu of the Severance Benefits (and

for the avoidance of doubt, in no event will you be entitled to both the Severance Benefits and the Change of Control Severance Benefits):

(i) an amount equal to eighteen (18) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), less all applicable withholdings and deductions, to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Change of Control Salary Severance**");

(ii) an amount equal to 150% of your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iii) an amount equal to your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), prorated for the portion of the year that has elapsed through your date of termination of employment with the Company, less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iv) if you timely elect continued coverage under COBRA for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the eighteen (18) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**Change of Control COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the Change of Control COBRA Payment Period, the Special Severance Payment, for the remainder of the Change of Control COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would

have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease; and

(v) acceleration of 100% of any unvested time-based Stock Awards. Such acceleration shall be effective as of the later of (A) the effective date of your Separation from Service, or (B) the date of such Change of Control (for the avoidance of doubt, the accelerated vesting of any Stock Awards that are performance-based shall be governed by the applicable equity plan and agreement or plan regarding such Stock Award pursuant to which they were granted). The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any agreement or plan regarding such Stock Award (and, for the avoidance of doubt, if any Stock Award is subject to more favorable vesting pursuant to any agreement or plan regarding such Stock Award, such more favorable provisions shall continue to apply and shall not be limited by this clause (v)).

(e) **Conditions For Receipt of Severance Benefits or Change of Control Severance Benefits.** The Severance Benefits or Change of Control Severance Benefits are conditional upon (x) your continuing to comply with your obligations under your Employee Invention Assignment and Confidentiality Agreement; (y) your delivering to the Company an effective, general release of claims in favor of the Company in substantially the form attached hereto as **Exhibit A** (the "**Release**"), and any revocation period thereunder having expired, within sixty (60) days following your termination date; and (z) if you are a member of the Board, your resignation from the Board, to be effective no later than the date of your termination date (or such other date as requested by the Board).

(f) **No Mitigation**. You shall not be required in any way to mitigate the amount of any payment provided for in this Section 7, including, without limitation, by seeking other employment, nor shall the amount of any payment provided for in this Section 7 be reduced by any compensation earned by you as the result of employment with another employer after the termination date of employment, or otherwise.

(g) **Definitions.**

(i) **Definition of Cause.** For purposes of this Agreement, "**Cause**" shall mean one or more of the following: (A) your willful failure substantially to perform your duties and responsibilities to the Company or deliberate violation of a Company policy; (B) your commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (C) your unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; or (D) your willful breach of any of your obligations under any written agreement or covenant with the Company. The determination as to whether you are being

terminated for Cause shall be made in good faith by the Board. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time.

(ii) **Definition of Good Reason.** For purposes of this Agreement, "**Good Reason**" shall mean your resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent:

(A) a material reduction in your base salary or Target Bonus if such a reduction is not made in proportion to an across-the-board reduction for all senior executives of the Company (and for the avoidance of doubt, following a Change of Control, the reference to senior executives of the Company shall include, without limitation, the senior executives of the ultimate parent entity of the Company (or its successor));

(B) a material reduction or material adverse change in your duties, responsibilities and/or authorities including, without limitation, following a Change of Control, your ceasing to report to the chief executive officer of the ultimate parent entity of the Company (or its successor), and/or your ceasing to serve as the Chief Human Resources Officer of such ultimate parent entity; *provided that,* prior to a Change of Control, it shall not constitute Good Reason if such reduction is a mere change of title alone or change in reporting relationship;

(C) relocation of your principal place of employment to a place that increases your one-way commute by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation; or

(D) any other action or inaction that constitutes a material breach by the Company of this Agreement or any agreement under which you provide services.

Provided, however that, such termination by you shall only be deemed for Good Reason pursuant to the foregoing definition if (i) the Company is given written notice from you within ninety (90) days following the first occurrence of the condition that you consider to constitute Good Reason describing the condition and the Company fails to satisfactorily remedy such condition within thirty (30) days following such written notice, and (ii) you terminate employment within ninety (90) days following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

(iii) **Definition of Change of Control.** For purposes of this Agreement, "**Change of Control**" shall have the meaning given to such term in the Company's 2020 Incentive Award Plan as in effect on the date hereof. Notwithstanding the foregoing, if a Change of Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change of Control must also constitute a "change in control event" (as defined in Treasury Regulation Section 1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

(iv) **Definition of Stock Awards**. For purposes of this Agreement, "Stock Awards" shall mean all stock options, restricted stock and such other awards granted

pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

8. **Section 409A.** It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Code Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (A) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Agreement), (B) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of any eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute "nonqualified deferred compensation" subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a Separation from Service.

9. **Parachute Payments.**

(a) **Best Pay Provision**. In the event that any payment or benefit received or to be received by you pursuant to the terms of any plan, arrangement or agreement (including any payment or benefit received in connection with a change in ownership or control or the termination of your employment) (all such payments and benefits being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part) to the excise tax (the "**Excise Tax**") imposed under Section 4999 of the Code, then the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (after subtracting the amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which you would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). Except to the extent that an alternative reduction order would result in a greater economic benefit to you on an after-tax basis, the Parties intend that the Total Payments shall be reduced in the following order: (w) reduction of any cash severance payments otherwise payable to you that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to you that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to you on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any equity award that is exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code; provided, in case of clauses (x), (y) and (z), that reduction of any payments or benefits attributable to the acceleration of vesting of Company equity awards shall be first applied to equity awards with later vesting dates; provided, further, that, notwithstanding the foregoing, any such reduction shall be undertaken in a manner that complies with and does not result in the imposition of additional taxes on you under Section 409A of the Code. The foregoing reductions shall be made in a manner that results in the maximum economic benefit to you on an after-tax basis and, to the extent economically equivalent payments or benefits are subject to reduction, in a pro rata manner.

(b) **Determinations**. All determinations regarding the application of this Section 9 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the "**280G Firm**"). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments shall be taken into account which (x) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, or (y) constitutes reasonable compensation for services actually rendered, within the meaning of Section

280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, (ii) no portion of the Total Payments the receipt or enjoyment of which you shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the 280G Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. All determinations related to the calculations to be performed pursuant to this Section 9 shall be done by the 280G Firm in consultation with the Company. The 280G Firm will be directed to submit its determination and detailed supporting calculations to both you and the Company within fifteen (15) days after notification from either the Company or you that you may receive payments which may be "parachute payments." You and the Company will each provide the 280G Firm access to and copies of any books, records, and documents as may be reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Agreement. The fees and expenses of the 280G Firm for its services in connection with the determinations and calculations contemplated by this Agreement will be borne solely by the Company.

10. **Confidentiality Obligations.**

(a) **Confidentiality Obligations.** In connection with your employment, you have signed and agreed to abide by the Company's standard form of Employee Invention Assignment and Confidentiality Agreement, a copy of which is attached hereto as **Exhibit B** (the "**Confidentiality Agreement**"). In your work for the Company, you are expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you are expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You hereby represent that your employment does not create a conflict with any agreement between you and a third party.

(b) **Other Protections**. You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the confidential information to your attorney and use the confidential information in the court proceeding, if you file any document containing the confidential information under seal, and do not disclose the confidential information, except

pursuant to court order. In addition, nothing in this Agreement or the Confidentiality Agreement shall prevent you from (x) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the U.S. Equal Employment Opportunity Commission, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (y) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, such as the right to engage in concerted activity, including collective action or discussion concerning wages or working conditions, or (z) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination based on a protected characteristic or any other conduct that you have reason to believe is unlawful.

11. **Arbitration.** To ensure the timely and economical resolution of disputes that may arise in connection with your employment with the Company, to the extent permitted by applicable law, you and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, your employment, or the termination of your employment, including but not limited to statutory claims, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, and to the fullest extent permitted by law by final, binding and confidential arbitration, by a single neutral arbitrator in Missoula County, Montana, chosen jointly by the parties, and will be conducted by JAMS, Inc. ("**JAMS**") under the then applicable JAMS rules (which can be found at the following web address: https://www.jamsadr.com/rules-employment-arbitration/ or will be provided to you upon request without charge). If the parties cannot agree on an arbitrator, then JAMS shall appoint an arbitrator in accordance with JAMS rules. **By agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The Company acknowledges that you will have the right to be represented by legal counsel at any arbitration proceeding. In addition, all claims, disputes, or causes of action under this paragraph, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to an action or claim brought in court pursuant to the California Private Attorneys General Act of 2004, as amended. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees in excess of the amount of court fees that would be required of you if the dispute were filed in Superior Court. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

12. **Successors.** This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties or rights hereunder without the express written consent of the Company. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform any of the Company's obligations under this Agreement.

13. **Miscellaneous.** This Agreement, including the exhibits hereto, is the complete and exclusive statement of all of the terms and conditions of your employment with the Company, and supersedes and replaces any and all prior agreements or representations with regard to the subject matter hereof, whether written or oral, including, without limitation, the Prior Agreement. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified, amended or extended except in a writing signed by you and a duly authorized officer of the Company. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein. This Agreement and the terms of your employment with the Company shall be governed in all aspects by the laws of the State of Montana.

14. **Indemnification**. You will receive defense and be indemnified by the Company to the full extent of the provisions of the Company's charter and bylaws and applicable Montana and Delaware law and the Indemnification Agreement between you and the Company attached hereto as **Exhibit C**.

15. **Withholding and other Deductions**. All compensation payable to you hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

16. **Notices**. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or one (1) business day after being sent by a nationally recognized overnight delivery service, charges prepaid. Notices also may be given electronically via PDF and shall be effective on the date transmitted if confirmed within forty-eight (48) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Notice to you shall be sent to your most recent residence and personal email address on file with the Company. Notice to the Company shall be sent to its physical address set forth on the first page hereto and addressed to the Chief Executive Officer at the email address provided by the Company for such person.

[SIGNATURE PAGE FOLLOWS]

Best regards,

AVIDITY BIOSCIENCES, INC.

/s/ Sarah Boyce
Sarah Boyce
President and Chief Executive Officer
Date: August 28, 2024

Accepted and agreed:

/s/ Teresa McCarthy
Teresa McCarthy
Date: August 27, 2024

Exhibit 10.6

August 26, 2024

VIA EMAIL

John B. Moriarty, Jr.
c/o Avidity Biosciences, Inc.
10578 Science Center Drive, Suite 125
San Diego, CA 92121

Re: Amended and Restated Employment Agreement

Dear John:

Avidity Biosciences, Inc. (the "**Company**") and you entered into that certain Employment Agreement, dated as of July 31, 2024 (the "**Prior Agreement**"). The Company and you desire to amend and restate the Prior Agreement on the terms and conditions set forth in this letter agreement (the "**Agreement**"), effective immediately.

1. **Title**. You will continue to serve as the Company's Chief Legal Officer and Corporate Secretary.

2. **Duties.** In this position, you will be designated as an executive officer of the Company for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). You will be responsible for performing such duties as are customary for your position and any other duties or areas of responsibility that may be reasonably requested from time to time by the Company's Chief Executive Officer, to whom you will report. You shall devote your best efforts and full business time, skill and attention to the performance of your duties. You will also be expected to adhere to the general employment policies and practices of the Company that may be in effect from time to time, except that when the terms of this Agreement conflict with the Company's general employment policies or practices, this Agreement will control. Your primary work location shall be your home office located in Mill Valley, California. The Company reserves the right to reasonably require you to perform your duties at places other than your primary office location from time to time, and to require reasonable business travel with reimbursement in a manner consistent with the Company's travel reimbursement policies.

3. **Salary.** You will be paid an annual base salary of $500,000, less applicable deductions and withholdings, to be paid each month in accordance with the Company's payroll practices, as may be in effect from time to time.

4. **Benefits.** You will continue to be eligible to participate in the Company's standard benefit programs, subject to the terms and conditions of such plans. The Company may, from time to time, change these benefits in its discretion. Additional information regarding these benefits is available for your review upon request.

5. **Equity Awards.** You will remain eligible to receive Stock Awards (as defined below) covering the Company's common stock under the equity plans maintained by the Company.

6. **Performance Bonuses.** You will be eligible to earn an annual incentive bonus equal to forty percent (40%) of your annual base salary (your "**Target Bonus**"); provided that the annual incentive bonus for the 2024 fiscal year shall be pro-rated based on the portion of such year that has elapsed from the Start Date through December 31, 2024. Whether you receive such a bonus, and the amount of any such bonus, shall be determined by the Company's Board of Directors (the "**Board**") (or duly authorized committee thereof) in its sole discretion, and shall be based upon achievement of performance objectives established by the Board (or duly authorized committee thereof) and other criteria to be determined by the Board (or duly authorized committee thereof). Any bonus shall be paid within thirty (30) days after the Board's (or such committee's) determination that a bonus shall be awarded. Except as described in Section 7 below, you must be employed on the day that your bonus (if any) is paid in order to earn the bonus. Therefore, if your employment is terminated either by you or the Company for any reason prior to the bonus being paid, you will not have earned the bonus and no partial or prorated bonus will be paid.

7. **At-Will Employment; Termination.**

(a) **At-Will Employment.** Your employment with Company will be "at-will." This means that either you or Company may terminate your employment at any time, with or without Cause or Good Reason (each as defined below), and with or without advance notice. In the event of your termination of employment for any reason, the Company shall pay to you (i) your fully earned but unpaid base salary, when due, through the date of your termination of employment at the rate then in effect, (ii) accrued and unused vacation and/or paid time off, (iii) if your termination occurs after the occurrence of a Change of Control and after the conclusion of a calendar year in respect of which no annual bonus has yet been paid (i.e., such termination occurs on or after January 1, but before the designated payment date for the annual bonus in respect of such completed calendar year), your annual bonus for such completed calendar year based on actual performance as determined by the Board (or duly authorized committee thereof), paid when annual bonuses are paid to the Company's employees generally for such completed calendar year, but in all events prior to March 15 of the calendar year in which your termination occurs, plus (iv) all other benefits, if any, under any Company group retirement plan, nonqualified deferred compensation plan, equity award plan or agreement, health benefits plan or other Company group benefit plan to which you may be entitled pursuant to the terms of such plans or agreements at the time of your termination of employment (the "**Accrued Obligations**").

(b) **Termination For Cause; Resignation Without Good Reason.** If, at any time, the Company terminates your employment for Cause, you resign without Good Reason, or if either party terminates your employment as a result of your death or disability, you will receive the Accrued Obligations. Under these circumstances, you will not be entitled to any other form of compensation from the Company, including any severance benefits.

(c) **Termination Without Cause; Resignation With Good Reason Not in Connection With a Change of Control.** If at any time other than during the Change of Control Period (as defined below), the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, and provided such termination constitutes a "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h), without regard to any alternative definition thereunder,

a "**Separation from Service**"), then subject to your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Severance Benefits**"):

(i) an amount equal to twelve (12) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Salary Severance**"); and

(ii) if you timely elect continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the twelve (12) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"), or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premiums for that month, subject to applicable tax withholdings (such amount, the "**Special Severance Payment**"), for the remainder of the COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease.

(d) **Termination Without Cause; Resignation With Good Reason During the Change of Control Period.** If the Company terminates your employment without Cause or you resign for Good Reason, and other than any termination of your employment as a result of your death or disability, in each case within fifty-nine (59) days prior to or twenty-four (24) months following the effective date of a Change of Control (as defined herein) (the "**Change of Control Period**"), and provided such termination constitutes a Separation from Service, then subject to

your obligations below, you shall be entitled to receive the following severance benefits (collectively, the "**Change of Control Severance Benefits**") in lieu of the Severance Benefits (and for the avoidance of doubt, in no event will you be entitled to both the Severance Benefits and the Change of Control Severance Benefits):

(i) an amount equal to eighteen (18) months of your then current base salary (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your base salary which would give rise to Good Reason for your resignation, the base salary in effect prior to such material diminution), less all applicable withholdings and deductions, to be paid in a lump sum on the sixtieth (60th) day following your Separation from Service (the "**Change of Control Salary Severance**");

(ii) an amount equal to 150% of your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iii) an amount equal to your Target Bonus for the calendar year in which your termination occurs (at the rate in effect immediately prior to the date of your termination of employment, or in the case of a material diminution in your Target Bonus which would give rise to Good Reason for your resignation, the Target Bonus in effect prior to such material diminution), prorated for the portion of the year that has elapsed through your date of termination of employment with the Company, less all applicable withholdings and deductions, paid in a lump sum on the sixtieth (60th) day following your Separation from Service;

(iv) if you timely elect continued coverage under COBRA for yourself and your covered dependents under the Company's group health plans following such termination or resignation of employment, then the Company shall pay the COBRA premiums necessary to continue your health insurance coverage in effect for yourself and your eligible dependents on the termination date until the earliest of (A) the close of the eighteen (18) month period following the termination of your employment, (B) the expiration of your eligibility for the continuation coverage under COBRA, or (C) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (such period from the termination date through the earliest of (A) through (C), the "**Change of Control COBRA Payment Period**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the payment of the COBRA premiums could result in a violation of the nondiscrimination rules of Section 105(h)(2) of the Code or any statute or regulation of similar effect (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act), then in lieu of providing the COBRA premiums, the Company, in its sole discretion, may elect to instead pay you on the first day of each month of the Change of Control COBRA Payment Period, the Special Severance Payment, for the remainder of the Change of Control COBRA Payment Period. You may, but are not obligated to, use such Special Severance Payment toward the cost of COBRA premiums. On the sixtieth (60th) day following your Separation from Service, the Company will make the first

payment under this clause (and, in the case of the Special Severance Payment, such payment will be paid to you in a lump sum) equal to the aggregate amount of payments that the Company would have paid through such date had such payments commenced on the Separation from Service through such sixtieth (60th) day, with the balance of the payments paid thereafter on the schedule described above. If you become eligible for coverage under another employer's group health plan or otherwise cease to be eligible for COBRA during the period provided in this clause, you must immediately notify the Company of such event, and all payments and obligations under this clause shall cease; and

(v) acceleration of 100% of any unvested time-based Stock Awards. Such acceleration shall be effective as of the later of (A) the effective date of your Separation from Service, or (B) the date of such Change of Control (for the avoidance of doubt, the accelerated vesting of any Stock Awards that are performance-based shall be governed by the applicable equity plan and agreement or plan regarding such Stock Award pursuant to which they were granted). The foregoing provisions are hereby deemed to be a part of each Stock Award and to supersede any less favorable provision in any agreement or plan regarding such Stock Award (and, for the avoidance of doubt, if any Stock Award is subject to more favorable vesting pursuant to any agreement or plan regarding such Stock Award, such more favorable provisions shall continue to apply and shall not be limited by this clause (v)).

(e) **Conditions For Receipt of Severance Benefits or Change of Control Severance Benefits.** The Severance Benefits or Change of Control Severance Benefits are conditional upon (x) your continuing to comply with your obligations under your Employee Invention Assignment and Confidentiality Agreement; (y) your delivering to the Company an effective, general release of claims in favor of the Company in substantially the form attached hereto as **Exhibit A** (the "**Release**"), and any revocation period thereunder having expired, within sixty (60) days following your termination date; and (z) if you are a member of the Board, your resignation from the Board, to be effective no later than the date of your termination date (or such other date as requested by the Board).

(f) **No Mitigation**. You shall not be required in any way to mitigate the amount of any payment provided for in this Section 7, including, without limitation, by seeking other employment, nor shall the amount of any payment provided for in this Section 7 be reduced by any compensation earned by you as the result of employment with another employer after the termination date of employment, or otherwise.

(g) **Definitions.**

(i) **Definition of Cause.** For purposes of this Agreement, "**Cause**" shall mean one or more of the following: (A) your willful failure substantially to perform your duties and responsibilities to the Company or deliberate violation of a Company policy (B) your commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (C) your unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom you owe an obligation of nondisclosure as a result of your relationship with the Company; or (D) your willful breach of any of your obligations under any written

agreement or covenant with the Company. The determination as to whether you are being terminated for Cause shall be made in good faith by the Board. The foregoing definition does not in any way limit the Company's ability to terminate your employment at any time.

(ii) **Definition of Good Reason.** For purposes of this Agreement, "**Good Reason**" shall mean your resignation from employment with the Company if any of the following actions are taken by the Company without your prior written consent:

(A) a material reduction in your base salary or Target Bonus if such a reduction is not made in proportion to an across-the-board reduction for all senior executives of the Company (and for the avoidance of doubt, following a Change of Control, the reference to senior executives of the Company shall include, without limitation, the senior executives of the ultimate parent entity of the Company (or its successor));

(B) a material reduction or material adverse change in your duties, responsibilities and/or authorities including, without limitation, following a Change of Control, your ceasing to report to the chief executive officer of the ultimate parent entity of the Company (or its successor), and/or your ceasing to serve as the Chief Legal Officer and Corporate Secretary of such ultimate parent entity; *provided that,* prior to a Change of Control, it shall not constitute Good Reason if such reduction is a mere change of title alone or change in reporting relationship;

(C) relocation of your principal place of employment to a place that increases your one-way commute by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation; or

(D) any other action or inaction that constitutes a material breach by the Company of this Agreement or any agreement under which you provide services.

Provided, however that, such termination by you shall only be deemed for Good Reason pursuant to the foregoing definition if (i) the Company is given written notice from you within ninety (90) days following the first occurrence of the condition that you consider to constitute Good Reason describing the condition and the Company fails to satisfactorily remedy such condition within thirty (30) days following such written notice, and (ii) you terminate employment within ninety (90) days following the end of the period within which the Company was entitled to remedy the condition constituting Good Reason but failed to do so.

(iii) **Definition of Change of Control.** For purposes of this Agreement, "**Change of Control**" shall have the meaning given to such term in the Company's 2020 Incentive Award Plan as in effect on the date hereof. Notwithstanding the foregoing, if a Change of Control would give rise to a payment or settlement event with respect to any payment or benefit that constitutes "nonqualified deferred compensation," the transaction or event constituting the Change of Control must also constitute a "change in control event" (as defined in Treasury Regulation Section 1.409A-3(i)(5)) in order to give rise to the payment or settlement event for such payment or benefit, to the extent required by Section 409A.

(iv) **Definition of Stock Awards**. For purposes of this Agreement, "Stock Awards" shall mean all stock options, restricted stock and such other awards granted pursuant to the Company's stock option and equity incentive award plans or agreements and any shares of stock issued upon exercise thereof.

8. **Section 409A.** It is intended that all of the severance benefits and other payments payable under this Agreement satisfy, to the greatest extent possible, the exemptions from the application of Code Section 409A provided under Treasury Regulations 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9), and this Agreement will be construed to the greatest extent possible as consistent with those provisions, and to the extent not so exempt, this Agreement (and any definitions hereunder) will be construed in a manner that complies with Code Section 409A. For purposes of Code Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this Agreement (whether severance payments, reimbursements or otherwise) shall be treated as a right to receive a series of separate payments and, accordingly, each installment payment hereunder shall at all times be considered a separate and distinct payment. Notwithstanding any provision to the contrary in this Agreement, if you are deemed by the Company at the time of your Separation from Service to be a "specified employee" for purposes of Code Section 409A(a)(2)(B)(i), and if any of the payments upon Separation from Service set forth herein and/or under any other agreement with the Company are deemed to be "deferred compensation", then to the extent delayed commencement of any portion of such payments is required in order to avoid a prohibited distribution under Code Section 409A(a)(2)(B)(i) and the related adverse taxation under Section 409A, such payments shall not be provided to you prior to the earliest of (i) the expiration of the six-month period measured from the date of your Separation from Service with the Company, (ii) the date of your death or (iii) such earlier date as permitted under Section 409A without the imposition of adverse taxation. Upon the first business day following the expiration of such applicable Code Section 409A(a)(2)(B)(i) period, all payments deferred pursuant to this paragraph shall be paid in a lump sum to you, and any remaining payments due shall be paid as otherwise provided herein or in the applicable agreement. No interest shall be due on any amounts so deferred. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (A) any reimbursement is for expenses incurred during your lifetime (or during a shorter period of time specified in this Agreement), (B) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of any eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit. Notwithstanding any provision to the contrary in this Agreement, to the extent any payments to you pursuant to this Agreement constitute "nonqualified deferred compensation" subject to Section 409A of the Code or are intended to be exempt from Section 409A of the Code pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii), then, to the extent required by Section 409A of the Code or to satisfy such exception, no amount shall be payable pursuant to such sections unless your termination of employment constitutes a Separation from Service.

9. **Parachute Payments.**

(a) **Best Pay Provision**. In the event that any payment or benefit received or to be received by you pursuant to the terms of any plan, arrangement or agreement (including any payment or benefit received in connection with a change in ownership or control or the termination of your employment) (all such payments and benefits being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part) to the excise tax (the "**Excise Tax**") imposed under Section 4999 of the Code, then the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (after subtracting the amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which you would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). Except to the extent that an alternative reduction order would result in a greater economic benefit to you on an after-tax basis, the Parties intend that the Total Payments shall be reduced in the following order: (w) reduction of any cash severance payments otherwise payable to you that are exempt from Section 409A of the Code, (x) reduction of any other cash payments or benefits otherwise payable to you that are exempt from Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code, (y) reduction of any other payments or benefits otherwise payable to you on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payment attributable to the acceleration of vesting and payment with respect to any equity award that is exempt from Section 409A of the Code, and (z) reduction of any payments attributable to the acceleration of vesting or payment with respect to any equity award that is exempt from Section 409A of the Code; provided, in case of clauses (x), (y) and (z), that reduction of any payments or benefits attributable to the acceleration of vesting of Company equity awards shall be first applied to equity awards with later vesting dates; provided, further, that, notwithstanding the foregoing, any such reduction shall be undertaken in a manner that complies with and does not result in the imposition of additional taxes on you under Section 409A of the Code. The foregoing reductions shall be made in a manner that results in the maximum economic benefit to you on an after-tax basis and, to the extent economically equivalent payments or benefits are subject to reduction, in a pro rata manner.

(b) **Determinations**. All determinations regarding the application of this Section 9 shall be made by an independent accounting firm or consulting group with nationally recognized standing and substantial expertise and experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax retained by the Company prior to the date of the applicable change in ownership or control (the "**280G Firm**"). For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments shall be taken into account which (x) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason

of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, or (y) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, (ii) no portion of the Total Payments the receipt or enjoyment of which you shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the 280G Firm in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. All determinations related to the calculations to be performed pursuant to this Section 9 shall be done by the 280G Firm in consultation with the Company. The 280G Firm will be directed to submit its determination and detailed supporting calculations to both you and the Company within fifteen (15) days after notification from either the Company or you that you may receive payments which may be "parachute payments." You and the Company will each provide the 280G Firm access to and copies of any books, records, and documents as may be reasonably requested by the 280G Firm, and otherwise cooperate with the 280G Firm in connection with the preparation and issuance of the determinations and calculations contemplated by this Agreement. The fees and expenses of the 280G Firm for its services in connection with the determinations and calculations contemplated by this Agreement will be borne solely by the Company.

10. **Confidentiality Obligations.**

(a) **Confidentiality Obligations.** In connection with your employment, you have signed and agreed to abide by the Company's standard form of Employee Invention Assignment and Confidentiality Agreement, a copy of which is attached hereto as **Exhibit B** (the "**Confidentiality Agreement**"). In your work for the Company, you are expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. Rather, you are expected to use only that information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. You agree that you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have an obligation of confidentiality. You hereby represent that your employment does not create a conflict with any agreement between you and a third party.

(b) **Other Protections**. You acknowledge that the Company has provided you with the following notice of immunity rights in compliance with the requirements of the Defend Trade Secrets Act: (i) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law; (ii) you shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of confidential information that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (iii) if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the confidential information to your attorney and use the

confidential information in the court proceeding, if you file any document containing the confidential information under seal, and do not disclose the confidential information, except pursuant to court order. In addition, nothing in this Agreement or the Confidentiality Agreement shall prevent you from (x) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the U.S. Equal Employment Opportunity Commission, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (y) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, such as the right to engage in concerted activity, including collective action or discussion concerning wages or working conditions, or (z) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination based on a protected characteristic or any other conduct that you have reason to believe is unlawful.

11. **Arbitration.** To ensure the timely and economical resolution of disputes that may arise in connection with your employment with the Company, to the extent permitted by applicable law, you and the Company agree that any and all disputes, claims, or causes of action arising from or relating to the enforcement, breach, performance, negotiation, execution, or interpretation of this Agreement, your employment, or the termination of your employment, including but not limited to statutory claims, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, or if inapplicable, the California Arbitration Act, and to the fullest extent permitted by law by final, binding and confidential arbitration, by a single neutral arbitrator in Marin County, California, chosen jointly by the parties, and will be conducted by JAMS, Inc. ("**JAMS**") under the then applicable JAMS rules (which can be found at the following web address: https://www.jamsadr.com/rules-employment-arbitration/ or will be provided to you upon request without charge). If the parties cannot agree on an arbitrator, then JAMS shall appoint an arbitrator in accordance with JAMS rules. **By agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** The Company acknowledges that you will have the right to be represented by legal counsel at any arbitration proceeding. In addition, all claims, disputes, or causes of action under this paragraph, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to an action or claim brought in court pursuant to the California Private Attorneys General Act of 2004, as amended. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision, to include the arbitrator's essential findings and conclusions and a statement of the award. The arbitrator shall be authorized to award any or all remedies that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees in excess of the amount of court fees that would be required of you if the dispute were filed in Superior Court. Nothing in this Agreement is intended to prevent either you or the

Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

12. **Successors.** This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and our respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties or rights hereunder without the express written consent of the Company. Any successor to the Company (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform any of the Company's obligations under this Agreement.

13. **Miscellaneous.** This Agreement, including the exhibits hereto, is the complete and exclusive statement of all of the terms and conditions of your employment with the Company, and supersedes and replaces any and all prior agreements or representations with regard to the subject matter hereof, whether written or oral, including, without limitation, the Prior Agreement. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified, amended or extended except in a writing signed by you and a duly authorized officer of the Company. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced as if such invalid, illegal or unenforceable provisions had never been contained herein. This Agreement and the terms of your employment with the Company shall be governed in all aspects by the laws of the State of California.

14. **Indemnification**. You will receive defense and be indemnified by the Company to the full extent of the provisions of the Company's charter and bylaws and applicable California and Delaware law and the Indemnification Agreement between you and the Company attached hereto as **Exhibit C**.

15. **Withholding and other Deductions**. All compensation payable to you hereunder shall be subject to such deductions as the Company is from time to time required to make pursuant to law, governmental regulation or order.

16. **Notices**. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally or one (1) business day after being sent by a nationally recognized overnight delivery service, charges prepaid. Notices also may be given electronically via PDF and shall be effective on the date transmitted if confirmed within forty-eight (48) hours thereafter by a signed original sent in the manner provided in the preceding sentence. Notice to you shall be sent to your most recent residence and personal email address on file with the Company. Notice to the Company shall be sent to its physical address set forth on the first page hereto and addressed to the Chief Executive Officer at the email address provided by the Company for such person.

[SIGNATURE PAGE FOLLOWS]

Best regards,

AVIDITY BIOSCIENCES, INC.

/s/ Sarah Boyce
Sarah Boyce
President and Chief Executive Officer
Date: August 26, 2024

Accepted and agreed:

/s/ John B. Moriarty, Jr.
John B. Moriarty, Jr.
Date: August 26, 2024

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sarah Boyce, certify that:

1.I have reviewed this quarterly report on Form 10-Q of Avidity Biosciences, 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 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 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: November 7, 2024

/s/ Sarah Boyce
Sarah Boyce
President, Chief Executive Officer and Director
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael F. MacLean, certify that:

1.I have reviewed this quarterly report on Form 10-Q of Avidity Biosciences, 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 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 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: November 7, 2024

/s/ Michael F. MacLean

Michael F. MacLean

Chief Financial and Chief Business Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Avidity Biosciences, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sarah Boyce, President, Chief Executive Officer and Director 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), as applicable, of the Securities Exchange Act of 1934, as amended; 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: November 7, 2024

/s/ Sarah Boyce

Sarah Boyce

President, Chief Executive Officer and Director

(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Avidity Biosciences, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael F. MacLean, Chief Financial 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), as applicable, of the Securities Exchange Act of 1934, as amended; 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: November 7, 2024

/s/ Michael F. MacLean

Michael F. MacLean

Chief Financial and Chief Business Officer

(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.