UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2026

OR

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

For the transition period from to

Commission File Number: 001-39787

BIOATLA, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**85-1922320**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
11085 Torreyana Road, San Diego, California	**92121**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (858) 558-0708

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	BCAB	The Nasdaq Capital 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 ☒ No ☐

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

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

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

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

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

As of August 10, 2026 the number of shares of the registrant's common stock outstanding was 1,666,100 and the number of shares of the registrant's Class B common stock outstanding was 0.

BIOATLA, INC.
Quarterly Report on Form 10-Q

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

BioAtla, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except par value and share amounts)

	June 30, 2026 (unaudited)	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 1,544	$ 7,118
Accounts receivable	2,000	—
Prepaid expenses and other current assets	714	895
Total current assets	4,258	8,013
Property and equipment, net	—	120
Operating lease right-of-use asset, net	5,085	5,532
Other assets	163	163
Total assets	$ 9,506	$ 13,828
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued expenses (includes related party amounts of $300 and $0, respectively)	$ 19,451	$ 16,353
Operating lease liabilities	1,570	1,427
PPAs liability	—	4,142
Total current liabilities	21,021	21,922
Operating lease liabilities, less current portion	4,293	4,773
Liability to licensor	19,806	19,806
Warrant liability	622	3,516
Total liabilities	45,742	50,017
Commitments and contingencies (Note 6)		
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value; 200,000,000 shares authorized at June 30, 2026 and December 31, 2025; 0 shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Common stock, $0.0001 par value; 350,000,000 shares authorized at June 30, 2026 and December 31, 2025; 1,663,280 and 1,269,286 shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Class B common stock, $0.0001 par value; 15,368,569 shares authorized at June 30, 2026 and December 31, 2025; 0 shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Additional paid-in capital	515,302	509,457
Accumulated deficit	(551,538)	(545,646)
Total stockholders' equity (deficit)	(36,236)	(36,189)
Total liabilities and stockholders' equity (deficit)	$ 9,506	$ 13,828

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Collaboration and other revenue	$ 6,500	$ —	$ 6,500	$ —
Operating expenses:				
Research and development expense (includes related party amounts of $975 for the three and six months ended June 30, 2026 and $0 for the three and six months ended June 30, 2025)	$ 3,342	$ 13,684	$ 7,924	$ 26,039
General and administrative expense	2,931	4,963	7,657	10,222
Total operating expenses	6,273	18,647	15,581	36,261
Income (loss) from operations	227	(18,647)	(9,081)	(36,261)
Other income (expense):				
Interest income	16	233	53	633
Gain (loss) on warrant liability	220	(297)	2,894	1,583
Gain on PPAs liability	—	—	273	—
Other expense	(11)	—	(31)	—
Total other income (expense)	225	(64)	3,189	2,216
Consolidated net income (loss) and comprehensive income (loss)	$ 452	$ (18,711)	$ (5,892)	$ (34,045)
Net income (loss) per common share, basic	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)
Net income (loss) per common share, diluted	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)
Weighted-average shares of common stock outstanding, basic	1,660,586	1,170,087	1,581,554	1,167,550
Weighted-average shares of common stock outstanding, diluted	1,661,709	1,170,087	1,581,554	1,167,550

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share amounts)

	Three Months Ended June 30, 2026				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at March 31, 2026	1,659,612	$ —	$ 514,681	$ (551,990)	$ (37,309)
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	2,868	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	800	—	3	—	3
Taxes related to net share settlement of equity awards	—	—	(1)	—	(1)
Stock-based compensation expense	—	—	619	—	619
Net income	—	—	—	452	452
Balance at June 30, 2026	1,663,280	$ —	$ 515,302	$ (551,538)	$ (36,236)

	Three Months Ended June 30, 2025				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at March 31, 2025	1,168,022	$ —	$ 501,920	$ (501,373)	$ 547
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	3,700	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	2,709	—	47	—	47
Taxes related to net share settlement of equity awards	—	—	(5)	—	(5)
Stock-based compensation expense	—	—	1,377	—	1,377
Net loss	—	—	—	(18,711)	(18,711)
Balance at June 30, 2025	1,174,431	$ —	$ 503,339	$ (520,084)	$ (16,745)

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(in thousands, except share amounts)

	Six Months Ended June 30, 2026				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at December 31, 2025	1,269,286	$ —	$ 509,457	$ (545,646)	$ (36,189)
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	10,958	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	800	—	3	—	3
Issuance of common stock under PPAs	334,144	—	3,869	—	3,869
Issuance of common stock under SEPA	48,092	—	413	—	413
Taxes related to net share settlement of equity awards	—	—	(15)	—	(15)
Stock-based compensation expense	—	—	1,575	—	1,575
Net loss	—	—	—	(5,892)	(5,892)
Balance at June 30, 2026	1,663,280	$ —	$ 515,302	$ (551,538)	$ (36,236)

	Six Months Ended June 30, 2025				
	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance at December 31, 2024	1,161,983	$ —	$ 500,304	$ (486,039)	$ 14,265
Issuance of common stock under equity incentive plans, net of shares withheld for taxes	9,739	—	—	—	—
Issuance of common stock for Employee Stock Purchase Plan	2,709	—	47	—	47
Taxes related to net share settlement of equity awards	—	—	(34)	—	(34)
Stock-based compensation expense	—	—	3,022	—	3,022
Net loss	—	—	—	(34,045)	(34,045)
Balance at June 30, 2025	1,174,431	$ —	$ 503,339	$ (520,084)	$ (16,745)

See accompanying notes.

BioAtla, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities		
Net loss	$ (5,892)	$ (34,045)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	120	298
Change in fair value of warrant liability	(2,894)	(1,583)
Change in fair value of PPAs	(273)	—
Stock-based compensation	1,575	3,022
Changes in operating assets and liabilities:		
Accounts receivable	(2,000)	—
Prepaid expenses and other assets	181	(383)
Accounts payable and accrued expenses	3,087	2,535
Accounts payable and accrued expenses - related parties	300	—
Right-of-use assets and lease liabilities, net	110	(252)
Net cash used in operating activities	(5,686)	(30,408)
Cash flows from financing activities		
Proceeds from issuance of common stock under SEPA	413	—
Payment of financing costs related to issuance of common stock, PPAs and SEPA	(289)	(444)
Proceeds from issuance of common stock under Employee Stock Purchase Plan	3	47
Payments for taxes related to net settlement of equity awards	(15)	(34)
Net cash provided by (used in) financing activities	112	(431)
Net decrease in cash and cash equivalents	(5,574)	(30,839)
Cash and cash equivalents, beginning of period	7,118	49,046
Cash and cash equivalents, end of period	$ 1,544	$ 18,207
Supplemental disclosure of non-cash investing and financing activities		
Fair value of common stock issued in satisfaction of PPAs liability	$ 3,869	$ —
Increase in right-of-use assets and operating lease liabilities resulting from contract modification	$ —	$ 5,999

See accompanying notes.

BioAtla, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

Organization

BioAtla, LLC was formed in Delaware in March 2007 and was converted to a Delaware corporation in July 2020 and renamed BioAtla, Inc. (the "Company"). BioAtla, Inc. is a single legal entity with one consolidated variable interest entity ("VIE"), BA 3021 SPV LLC (see Note 10). The Company has a proprietary platform for creating biologics, including its conditionally active biologics ("CAB" or "CABs"). CABs have been designed to be active only under certain conditions found in diseased tissue, while remaining inactive in normal tissue. The Company has developed several CAB drug candidates through Phase 2 clinical trials including: two CAB antibody drug conjugates ("CAB ADC"), mecbotamab vedotin (BA3011), a CAB ADC targeting AXL, and ozuriftamab vedotin (BA3021), a CAB ADC targeting ROR2; and evalstotug (BA3071), a CAB anti-CTLA-4 antibody. The Company has an ongoing Phase 1 trial for BA3182 (CAB-EpCAM x CAB-CD3), a CAB bispecific antibody targeting EpCAM.

Merger and Related Share Consolidation

On March 23, 2026, the Company's stockholders approved the Agreement and Plan of Merger, as amended from time to time, including pursuant to Amendment No. 1 to Agreement and Plan of Merger, pursuant to which (i) a wholly owned subsidiary (the "Merger Sub") of the Company would merge with and into the Company, with the Company surviving (the "Merger"), and (ii) every fifty (50) shares of common stock of the Company issued and outstanding, or held as treasury stock, would be converted into one (1) share of common stock of the surviving corporation, which would be the Company (the "Share Consolidation"). The effective date of the Merger and the related Share Consolidation was April 6, 2026. The Share Consolidation did not change the par value or the number of authorized shares of the Company's common stock. The Company's condensed consolidated financial statements and notes to the condensed consolidated financial statements present the retroactive effect of the Share Consolidation on the Company's common stock share and per share data, and exercise price data for applicable common stock equivalents, for all periods presented prior to the effective date of the Share Consolidation.

Basis of Presentation

The unaudited condensed consolidated financial statements as of June 30, 2026, and for the three and six months ended June 30, 2026 and 2025, have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"), and with accounting principles generally accepted in the United States ("GAAP") applicable to interim financial statements. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of only normal recurring accruals, which in the opinion of management are necessary to present fairly the Company's financial position as of the interim date and results of operations for the interim periods presented. Interim results are not necessarily indicative of results for a full year or future periods. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025, included in its Annual Report on Form 10-K filed with the SEC on March 31, 2026, as amended by Amendment No. 1 to the Annual Report on Form 10-K/A filed with the SEC on April 29, 2026.

Liquidity and Going Concern

The Company has incurred cumulative operating losses and negative cash flows from operations since its inception and expects to continue to incur significant expenses and operating losses for the foreseeable future as it continues development of its product candidate BA3182. As of June 30, 2026, the Company had an accumulated deficit of $551.5 million.

In November 2025, the Company entered into the Standby Equity Purchase Agreement (the "SEPA") with YA II PN, Ltd. ("Yorkville") pursuant to which the Company has the right to sell to Yorkville up to $15.0 million of shares of common stock (the "Commitment Amount"), subject to certain limitations and conditions set forth in the SEPA, during the 36 months beginning November 20, 2025 (such shares, the "SEPA Shares"). As of June 30, 2026, 48,092 SEPA Shares had been sold under the SEPA, with gross proceeds to the Company totaling approximately $0.4 million. Additional sales of the SEPA Shares to Yorkville and the timing of any such sales, if elected to be utilized by the Company at a future date, are at the Company's option.

On March 2, 2026, the Company announced a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. The Company plans to continue to fund its losses from operations and capital funding needs through proceeds received through the SEPA, this strategic process, other public or private equity or debt financings, or other sources. In connection with the evaluation of strategic options, the Company also implemented a reduction in force and other cost-containment measures intended to better align resources with its near-term priorities. In order to continue to preserve capital during this period, the Company is re-evaluating the

timing and scope of its clinical development programs. As part of this process, the Company paused further enrollment in its ongoing Phase 1 study of BA3182 (CAB-EpCAM x CAB-CD3), while continuing treatment and follow-up of patients, including obtaining new scans in the study.

If the Company is not able to secure adequate additional funding, the Company may be forced to make further reductions in spending, extend payment terms with suppliers, liquidate assets where possible, suspend or curtail planned programs or wind down the Company. Any of these actions could materially harm the Company's business, results of operations and future prospects.

Management is required to perform a two-step analysis of the Company's ability to continue as a going concern. Management must first evaluate whether there are conditions and events that raise substantial doubt about the Company's ability to continue as a going concern (Step 1). If management concludes that substantial doubt is raised, management is also required to consider whether its plans alleviate that doubt (Step 2). Management's assessment concluded that there is substantial doubt about the Company's ability to continue as a going concern for a period of at least one year from the issuance date of these condensed consolidated financial statements.

The Company has prepared its condensed consolidated financial statements on a going concern basis, which assumes that the Company will realize its assets and satisfy its liabilities in the normal course of business. The accompanying condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of the uncertainty concerning the Company's ability to continue as a going concern.

Variable Interest Entities

The Company consolidates entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity or a VIE. VIEs are entities in which (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently, (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity and (iii) the legal entity is structured with substantive voting rights. A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. The Company has a controlling financial interest in a VIE when the Company has a variable interest or interests that provide it with (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company evaluates its relationships with its VIEs on an ongoing basis to determine whether or not it has a controlling financial interest.

Use of Estimates

The preparation of the Company's condensed consolidated financial statements requires it 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 Company's condensed consolidated financial statements and accompanying notes. The most significant estimates in the Company's condensed consolidated financial statements relate to accruals for research and development costs, equity-based compensation, and fair value measurements related to the Warrant Liability (as defined in Note 4). These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue and expenses that are not readily apparent from other sources. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Company's future results of operations will be affected.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of 90 days or less at the date of purchase to be cash equivalents. Cash equivalents consist of highly rated securities including U.S. Government and U.S. Treasury money market funds, which are unrestricted as to withdrawal or use.

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits and may invest cash that is not required for immediate operating needs in highly liquid instruments that bear minimal risk. The Company has not experienced any losses in such accounts and management believes that the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Stock-Based Compensation

Stock-based compensation expense represents the grant date fair value of equity awards, consisting of stock options, restricted stock units ("RSUs") and employee stock purchase plan rights, over the requisite service period of the awards (usually the vesting period) on a straight-line basis. The Company estimates the fair value of stock option grants and employee stock purchase plan rights using the Black-Scholes option pricing model. The fair value of RSUs is based on the closing sales price of the Company's common stock on the date of grant. Equity award forfeitures are recognized as they occur.

Leases

The Company determines if an arrangement is a lease at inception. An arrangement is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If a lease is identified, classification is determined at lease commencement. Operating lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The Company's leases do not provide an implicit interest rate and therefore the Company estimates its incremental borrowing rate to discount lease payments. The incremental borrowing rate reflects the interest rate that the Company would have to pay to borrow on a collateralized basis an amount equal to the lease payments in a similar economic environment over a similar term. Operating lease right-of-use ("ROU") assets are based on the corresponding lease liability adjusted for any lease payments made at or before commencement, initial direct costs, and lease incentives. Renewals or early terminations are not accounted for unless the Company is reasonably certain to exercise these options. Operating lease expense is recognized and the ROU asset is amortized on a straight-line basis over the lease term. Variable lease costs are recognized as incurred and are not included in the calculation of the ROU asset or the related lease liability.

The Company has a single lease agreement with lease and non-lease components, which are accounted for as a single lease component. Payments for short-term leases, defined as leases with a term of twelve months or less, are expensed on a straight-line basis over the lease term. The Company does not currently have any short-term leases.

Operating leases are included in operating lease right-of-use assets, operating lease liabilities, and operating lease liabilities, non-current on the Company's condensed consolidated balance sheets. The Company does not have any finance leases.

Fair Value Option

Under the ASC 825, Financial Instruments ("ASC 825"), the Company has the irrevocable option to report certain financial assets and financial liabilities at fair value on an instrument-by-instrument basis. Under the Pre-Paid Advance Agreements (the "PPAs") entered into in November 2025, pre-paid advances having an aggregate principal amount of $7.5 million (the "Pre-Paid Advance") were issued to the Company. The Company elected the fair value option to account for the Pre-Paid Advance (See Note 4 and Note 7). The fair value option was elected as management believes fair value measurement better aligns with the instrument's economic risks and expected settlement outcomes. This election also eliminates the need to bifurcate the embedded conversion features and account for them separately as derivative instruments.

The Pre-Paid Advance was initially recorded at fair value at issuance, which was determined to be equal to the transaction price of $7.15 million. Issuance costs incurred in connection with the Pre-Paid Advance were expensed as incurred, consistent with the requirements applicable to instruments measured at fair value under ASC 825. Subsequent to initial recognition, the Company remeasured the Pre-Paid Advance to fair value at each reporting date, with changes in fair value recognized in earnings within the gain on PPAs liability on the condensed consolidated statements of operations and comprehensive income (loss). The change in fair value related to accrued interest is presented with the total change in fair value of the Pre-Paid Advance as a single line within the gain on PPAs liability on the condensed consolidated statements of operations and comprehensive income (loss).

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as a change in equity during a period from transactions and other events and circumstances from non-owner sources, and consists of net income (loss) and other comprehensive gain (loss). There have been no items qualifying as other comprehensive income (loss) and, therefore, for all periods presented, the Company's comprehensive income (loss) was the same as its reported net income (loss).

Net Income (Loss) Per Share

Basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities. Diluted net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of common shares and dilutive common stock equivalents outstanding for the period determined using the treasury-stock method. Dilutive common stock equivalents are comprised

of common stock warrants, RSUs, common stock options outstanding under the Company's stock option plan, and contingently issuable shares under the BioAtla, Inc. Employee Stock Purchase Plan (the "ESPP").

The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Consolidated net income (loss)	$ 452	$ (18,711)	$ (5,892)	$ (34,045)
Denominator:				
Denominator for basic net income (loss) per share - weighted-average common stock outstanding	1,660,586	1,170,087	1,581,554	1,167,550
Effect of dilutive securities:				
RSUs	1,123	—	—	—
Denominator for diluted net income (loss) per share - adjusted weighted-average common stock outstanding	1,661,709	1,170,087	1,581,554	1,167,550
Basic net income (loss) per share	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)
Diluted net income (loss) per share	$ 0.27	$ (15.99)	$ (3.73)	$ (29.16)

Potentially dilutive securities not included in the calculation of diluted net income (loss) per common share because to do so would be anti-dilutive are as follows (in common stock equivalents):

	As of June 30,	
	2026	2025
Common stock warrants	193,581	193,581
Common stock options	114,059	118,249
Restricted stock units	57,404	52,130
ESPP shares	380	1,374
Total	365,424	365,334

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB"), or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, Accounting Standards Updates ("ASU") not included in the Company's disclosures were assessed and determined to be either not applicable or are not expected to have a material impact on the Company's financial statements or disclosures.

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses," which requires public entities, at annual and interim reporting periods, to disclose in a tabular format additional information about specific expense categories in the notes to the consolidated financial statements. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-11, "Interim Reporting (Topic 270): Narrow Scope Improvements". This update will improve the navigability of required interim disclosures and clarify when that guidance is applicable, and will require entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company will adopt the standard for the interim periods within the year ending December 31, 2028. The Company is currently evaluating the impact of the adoption on its consolidated financial statements and related disclosures.

2. Balance Sheet Details

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

	June 30, 2026	December 31, 2025
Prepaid research and development	$ 501	$ 663
Prepaid insurance	111	28
Other prepaid expenses and current assets	102	204
Total	$ 714	$ 895

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

	Useful life (years)	June 30, 2026	December 31, 2025
Furniture, fixtures and office equipment	3 - 7	$ 1,101	$ 1,101
Laboratory equipment	5	1,829	1,829
Leasehold improvements	2 - 3	2,498	2,498
		5,428	5,428
Less accumulated depreciation and amortization		(5,428)	(5,308)
Total		$ —	$ 120

Accounts payable and accrued expenses consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Accounts payable	$ 12,705	$ 8,194
Accrued research and development (includes related party amounts of $300 and $0, respectively)	6,362	7,280
Other accrued expenses	384	879
Total	$ 19,451	$ 16,353

3. Restructuring

In March 2026, the Company announced that it has initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions.

In connection with the evaluation of strategic alternatives, the Company implemented a restructuring plan that included a workforce reduction of approximately 70%. The Company recorded restructuring costs of $0 and $0.5 million during the three and six months ended June 30, 2026, of which $0.4 million is included in research and development expense and $0.1 million is included in general and administrative expense for the six months ended June 30, 2026 in the condensed consolidated statements of operations and comprehensive income (loss). Restructuring costs primarily consisted of employee severance, continuing healthcare benefits and other employee-related costs. The Company made cash payments of $0.5 million during the first quarter of 2026 and made immaterial cash payments in the second quarter of 2026. As of June 30, 2026, there is no remaining restructuring liability balance.

4. Fair Value Measurements

The Company’s financial instruments consist of cash and cash equivalents, accounts payable and accrued expenses, and warrants to purchase common stock. The carrying amounts of the Company’s cash and cash equivalents and accounts payable and accrued expenses are considered to be representative of their respective fair values due to their short-term nature.

The accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or non-recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets.

Level 2: Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.

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

When quoted market prices are available in active markets, the fair value of assets and liabilities is estimated within Level 1 of the valuation hierarchy. If quoted prices are not available, then fair values are estimated by using pricing models, quoted prices of assets and liabilities with similar characteristics, or discounted cash flows within Level 2 of the valuation hierarchy. In cases where Level 1 or Level 2 inputs are not available, the fair values are estimated by using inputs within Level 3 of the hierarchy.

The Company has determined the estimated fair value of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair values can be materially affected by using different assumptions or methodologies. The methods and assumptions used in estimating the fair values of financial instruments are based on carrying values and future cash flows.

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	As of June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 1,281	$ —	$ —	$ 1,281
Liabilities				
Warrants	$ —	$ —	$ 622	$ 622

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 4,285	$ —	$ —	$ 4,285
Liabilities				
Warrants	$ —	$ —	$ 3,516	$ 3,516
Pre-Paid Advance	$ —	$ —	$ 4,142	$ 4,142

No transfers between levels have occurred during the periods presented.

Cash Equivalents

Cash equivalents are comprised of money market funds, which are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets.

Warrant Liability

As of June 30, 2026, Level 3 liabilities include the warrant liability which resulted from warrants being issued on December 20, 2024 (as further described in Note 8), which did not meet the criteria for equity classification in accordance with ASC Subtopic 815-40, Derivatives and Hedging - Contracts in Entity's Own Equity ("ASC 815-40"), and are therefore accounted for as liabilities at fair value.

The Company estimates the fair value of its warrants using significant unobservable inputs, which represent Level 3 measurements within the fair value hierarchy. The Company estimated the fair value of the warrants using the Black-Scholes option pricing model.

The significant inputs used in the valuation models to measure the fair value of the warrants are as follows:

	Valuation Date	
	June 30, 2026	December 31, 2025
Common stock price	$4.14	$28.39
Risk-free rate	4.17%	3.68%
Expected term (in years)	3.98	4.47
Expected volatility	118.4%	103.2%
Dividend yield	0.0%	0.0%

The following table presents the changes in the fair value of Level 3 liabilities for the six months ended June 30, 2026 (in thousands):

	Warrant Liability
Balance at December 31, 2025	$ 3,516
Change in fair value of warrant liability	(2,894)
Balance at June 30, 2026	$ 622

The fair value of the warrant liability as of June 30, 2026 was determined using the re-priced exercise price of $4.35 which was determined in April 2026 after the Share Consolidation (refer to Note 8 for further details). Changes in the fair value of the liability-classified warrants are recognized within the gain (loss) on warrant liability, a component of other income (expense) in the condensed consolidated statements of operations and comprehensive income (loss).

PPAs Liability

As of December 31, 2025, Level 3 liabilities included the Pre-Paid Advance (as defined in Note 7) issued to the Company in November 2025, for which the Company elected the fair value option. The Pre-Paid Advance was fully converted into shares of the Company's common stock as of February 2026 under the terms of the agreement and no remaining liability was outstanding as of June 30, 2026.

The Pre-Paid Advance was classified within Level 3 of the fair value hierarchy as the fair value was derived using a Monte Carlo simulation model in a risk neutral framework, which uses significant unobservable inputs. The significant assumptions used in the valuation model included volatility, expected term, risk-free rates, and credit-adjusted discount rates.

The following table presents the changes in the fair value of Level 3 liabilities for the six months ended June 30, 2026 (in thousands):

	PPAs Liability
Balance at December 31, 2025	$ 4,142
Conversion of Pre-Paid Advance into common stock	(3,869)
Change in fair value of PPAs liability	(273)
Balance at June 30, 2026	$ —

Changes in the fair value of the Pre-Paid Advance are recognized within the gain on PPAs liability, a component of other income (expense) on the condensed consolidated statements of operations and comprehensive income (loss).

5. Leases

The Company has a single operating lease for its corporate headquarters and laboratory space in San Diego, California. In June 2025, the Company entered into an amendment to the lease which reduced the leased space and extended the lease term for the remaining space through November 2030. Pursuant to the amended lease, the Company also has a one-time option to extend the lease term by an additional three years. The amended lease includes certain rent abatement, rent escalations, tenant improvement allowances and additional charges for common area maintenance and other costs.

Under the relevant guidance, the Company reassessed the lease classification and remeasured the lease liability as of the effective date of modification and recognized a lease liability and ROU asset of approximately $6.0 million on the Company's condensed consolidated balance sheets.

The components of lease expense included in the Company's condensed consolidated statements of operations and comprehensive income (loss) include (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease expense	$ 359	$ 331	$ 718	$ 592
Variable lease expense	88	215	207	395
Total lease expense, net	$ 447	$ 546	$ 925	$ 987

Variable lease costs are primarily related to payments made to lessors for common area maintenance, property taxes, insurance, and other operating expenses. The Company did not have any short-term leases or finance leases for the three and six months ended June 30, 2026 and 2025.

The weighted average remaining lease term and weighted average discount rate for operating leases were as follows:

	As of June 30,	
	2026	2025
Weighted average remaining lease term (in years)	4.40	5.40
Weighted average discount rate percentage	9.00%	9.00%

Supplemental cash flow information related to leases under which the Company is the lessee was as follows (amounts in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cash paid for amounts included in the measurement of operating leases	$ 365	$ 557	$ 609	$ 845

Maturities of operating lease liabilities as of June 30, 2026 were as follows (in thousands):

	Operating lease
Six months ending December 31, 2026	$ 875
2027	1,528
2028	1,574
2029	1,621
2030	1,529
Total future lease payments	7,127
Less: imputed interest	(1,264)
Total operating lease liabilities	$ 5,863

6. Commitments and Contingencies

From time to time, the Company may be subject to various claims and suits arising in the ordinary course of business. The Company is not currently a party to any legal proceedings the outcome of which the Company believes, if determined adversely to the Company, would individually or in the aggregate have a material adverse effect on the Company's business, operating results or financial condition.

7. Pre-Paid Advance

In November 2025, the Company closed on the PPAs with YA II PN, Ltd. ("Yorkville"), Anson Investments Master Fund LP and Anson East Master Fund LP (collectively, the "Anson Funds" and together with Yorkville, the "Investors"). Pursuant to the PPAs, the Investors agreed to provide the Company with pre-paid advances having an aggregate principal amount of $7.5 million, at a purchase price equal to 95% of the face amount. The purchase resulted in gross proceeds to the Company of $7.13 million. The Pre-Paid Advance accrued interest at 4% per annum.

As a result of the Company's election to account for the Pre-Paid Advance under the fair value option in ASC 825, the Pre-Paid Advance was initially recorded at fair value at issuance using the Monte Carlo simulation model, which uses significant unobservable inputs (Level 3). See Note 4 for significant assumptions used in determining the fair value.

The Company incurred issuance costs of $0.7 million, which were expensed as incurred, as required under the fair value option, and such costs are presented within other income (expense) on the consolidated statements of operations and comprehensive income (loss) for the twelve months ended December 31, 2025.

The Pre-Paid Advance was fully converted into shares of the Company's common stock as of February 2026 under the terms of the agreement. During the first quarter of 2026, the Company issued common stock to the Investors in settlement of approximately $4.5 million in principal and accrued interest under the Pre-Paid Advance. As of March 31, 2026 and June 30, 2026, there was no remaining outstanding principal balance of the Pre-Paid Advance.

8. Stockholders' Equity

Merger and Related Share Consolidation

On April 6, 2026, the Company effected the Share Consolidation of its outstanding shares of common stock pursuant to which every 50 shares of issued and outstanding common stock were converted into one share of common stock. No fractional shares were issued in connection with the Share Consolidation. Stockholders of record who otherwise were entitled to receive fractional shares received an amount in cash (without interest or deduction) equal to the fraction of one share to which such stockholder was otherwise entitled multiplied by the closing price of the common stock on The Nasdaq Capital Market on April 6, 2026. All share and per share amounts prior to the effective date of the Share Consolidation included within these condensed consolidated financial statements have been retrospectively adjusted to reflect the Share Consolidation.

November 2025 Standby Equity Purchase Agreement

In November 2025, in connection with the entry into the PPAs (as defined in Note 1), the Company entered into the SEPA with Yorkville pursuant to which the Company has the right to sell to Yorkville SEPA Shares to the Commitment Amount, over a 36-month period. Sales of SEPA Shares to Yorkville and the timing of any such sales are at the Company's option, and the Company is under no obligation to sell such shares to Yorkville. The SEPA will automatically terminate on the earliest to occur of (i) the 36-month anniversary of the effective date or (ii) the date on which Yorkville has purchased SEPA Shares equal to the Commitment Amount. The Company has the right to terminate the SEPA at no cost or penalty with five trading days' written notice. The Company and Yorkville may also agree to terminate the SEPA by mutual written consent.

Each advance (each, a "SEPA Advance") the Company requests from Yorkville may be for a number of SEPA Shares up to 100% of the average daily trading volume of the Company's common stock on The Nasdaq Capital Market during the five trading days immediately prior to the date of the Company's request. The SEPA Shares delivered by the Company will be purchased by Yorkville at a price equal to 97% of the lowest daily volume weighted average price ("VWAP") of the Company's common stock during the three trading days prior to the request, subject to a minimum price that may be specified in the Company's request.

The issuance of shares under the SEPA is subject to further limitations and conditions, including that the shares of common stock beneficially owned by each Investor and its affiliates at any one time will not exceed 4.99% of the then-outstanding shares of the Company's common stock.

As consideration for Yorkville's commitment to purchase SEPA Shares, the Company paid Yorkville a cash structuring fee and issued 4,868 shares of common stock to Yorkville. Such fees, totaling approximately $0.3 million, were expensed as incurred and are presented as a component of other income (expense) on the condensed consolidated statements of operations and comprehensive income (loss). During three and six months ended June 30, 2026, 0 and 48,092 SEPA Shares were sold under the SEPA, respectively, with gross proceeds to the Company totaling approximately $0.0 million and $0.4 million, respectively.

December 2024 Offering and Warrant Issuance

In December 2024, the Company closed on an offering (the "December 2024 Offering") of 193,581 shares of common stock at a price of $47.60 per share with accompanying warrants to purchase up to 193,581 shares of common stock, which initially had an exercise price of $59.50 per share (the "Warrants"). Pursuant to the re-pricing mechanism contained in the Warrants, the exercise price of the Warrants was reduced to $4.35 to match the lowest VWAP of our common stock during the eleven (11) trading days commencing five (5) trading days immediately preceding the Share Consolidation and ending five (5) trading days immediately following the Share Consolidation. As discussed in Note 4, the Company recorded a liability at fair value related to the issuance of the Warrants, with changes in fair value each reporting period recognized as a component of other income (loss) in the Company's unaudited condensed consolidated statements of operations and comprehensive income (loss). The fair value of the warrant liability as of June 30, 2026 was determined using the adjusted exercise price of $4.35. The accompanying Warrants became exercisable on June 20, 2025 and will expire five years from the date of initial exercisability. There were 193,581 Warrants outstanding and exercisable at June 30, 2026.

2020 Equity Incentive Plan

Under the 2020 Equity Incentive Plan (the "2020 Plan"), the Company may grant awards of common stock to the Company's employees, consultants and non-employee directors pursuant to option awards, stock appreciation rights awards, restricted stock awards, restricted stock unit awards, performance stock awards, performance stock unit awards and other stock-based awards. As of June 30, 2026 and December 31, 2025, the total number of common shares authorized for issuance under the 2020 Plan was 276,246 and 245,477, respectively. On January 1st of each year, commencing with the first January 1st following the effective date of the 2020 Plan, the shares authorized for issuance under the 2020 Plan shall be increased by the number of shares equal to the lesser of 4% of the total number of shares outstanding on the immediately preceding December 31st and such lesser number of shares determined by the Company's board of directors. The maximum term of the options granted under the 2020 Plan is no more than ten years. Awards under the 2020 Plan generally vest at 25% one year from the vesting commencement date and ratably each month thereafter for a period of 36 months, subject to continuous service as an employee, non-employee director, or independent contractor.

Stock-based compensation expense recognized for all equity awards under the 2020 Plan for the three and six months ended June 30, 2026 and 2025 has been reported in the condensed consolidated statements of operations and comprehensive income (loss) as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Research and development	$ 135	$ 567	$ 457	$ 1,342
General and administrative	484	810	1,118	1,680
Total	$ 619	$ 1,377	$ 1,575	$ 3,022

Restricted Stock Units

The following table summarizes RSU activity under the 2020 Plan for the six months ended June 30, 2026:

	Number of Shares	Weighted - Average Grant Date Fair Value
Outstanding at December 31, 2025	49,254	$ 58.95
Granted	30,120	$ 8.57
Vested	(12,939)	$ 43.97
Forfeited	(9,031)	$ 54.02
Outstanding at June 30, 2026	57,404	$ 36.67

As of June 30, 2026, total unrecognized stock-based compensation expense for RSUs was $1.5 million, which is expected to be recognized over a remaining weighted-average period of approximately 3.1 years.

Stock Options

The following table summarizes stock option activity under the 2020 Plan for the six months ended June 30, 2026:

	Number of Options	Weighted - Average Exercise Price Per Share	Weighted - Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance at December 31, 2025	117,703	$ 393.71	6.43	$ —
Forfeited	(3,417)	$ 198.71		
Expired	(227)	$ 785.66		
Balance at June 30, 2026	114,059	$ 388.45	5.07	$ —
Vested and expected to vest at June 30, 2026	114,059	$ 388.45	5.07	$ —
Exercisable at June 30, 2026	105,840	$ 404.00	4.94	$ —

As of June 30, 2026, total unrecognized stock-based compensation cost for unvested common stock options was $1.1 million, which is expected to be recognized over a remaining weighted-average period of approximately 0.7 years. There were no stock

options granted during the six months ended June 30, 2026. The total fair value of options vested during the six months ended June 30, 2026 was $1.0 million. Upon option exercise, the Company issues new shares of its common stock.

Employee Stock Purchase Plan

The Employee Stock Purchase Plan (the "ESPP") permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation. As of June 30, 2026 and December 31, 2025, a total of 77,008 shares and 60,717 shares, respectively, of common stock were authorized for issuance under the ESPP. The number of shares of common stock authorized for issuance will automatically increase on January 1 of each calendar year, from January 1, 2021 through January 1, 2030 by the least of (i) 1.0% of the total number of common shares of our common stock outstanding on December 31 of the preceding calendar year (calculated on a fully diluted basis), (ii) 18,593 common shares or (iii) a number determined by the Company's board of directors that is less than (i) and (ii). The Company issued 800 and 2,709 of common stock under the ESPP during the six months ended June 30, 2026 and 2025. As of June 30, 2026, 59,278 shares of common stock remained available for issuance under the ESPP. Stock-based compensation expense related to the ESPP for the three and six months ended June 30, 2026 and 2025 was immaterial.

Common Stock Reserved for Future Issuance

Common stock reserved for future issuance are as follows in common equivalent shares:

	June 30, 2026	December 31, 2025
Warrants for the purchase of common stock	193,581	193,581
Common stock options and restricted stock units issued and outstanding	171,463	166,257
Awards available for future issuance under the 2020 Plan	39,200	26,013
Awards available for future issuance under the ESPP	59,278	43,786
Shares available for future conversions of PPAs	—	136,923
Total common stock reserved for future issuance	463,522	566,560

9. Collaboration, License and Option Agreements

Global Co-Development and Collaboration Agreement with BeOne Medicines

In April 2019, the Company entered into a Global Co-Development and Collaboration agreement (the "BeOne Collaboration") with BeOne Medicines Ltd., formerly BeiGene Ltd. ("BeOne"), for the development, manufacturing and commercialization of evalstotug (BA3071). The BeOne Collaboration was amended several times between 2019 and 2021 and the Company received a total of $25.0 million in non-refundable payments from BeOne during that time.

In November 2021, the BeOne Collaboration was terminated, subject to survival of certain provisions, and BeOne handed back rights to know-how and materials received under the amended BeOne Collaboration. As a result, the Company is responsible for the global development and commercialization of evalstotug. As consideration for this amendment, the Company agreed to pay BeOne mid-single digit royalties on sales worldwide and on a limited basis will share in any upfront and milestone payments received through a sublicense of evalstotug. The Company reclassified its then remaining $19.8 million of deferred revenue as a long-term liability which is expected to settle as licensing payments are made to BeOne in accordance with the resulting amendment. In the event the license is terminated, the liability will be extinguished with no further payment to BeOne.

The Company did not recognize any revenue related to the collaboration agreement with BeOne during the three and six months ended June 30, 2026 and 2025. The Company had a $19.8 million liability to licensor as of June 30, 2026 and December 31, 2025.

License Agreement with Context Therapeutics Inc.

In September 2024, the Company entered into a License Agreement (the "Context License Agreement") with Context Therapeutics Inc. ("Context"). Under the terms of the Context License Agreement, BioAtla granted Context an exclusive, worldwide license to develop, manufacture and commercialize two licensed antibodies, including BA3362 (renamed by Context as CT-202), a Nectin-4 x CD3 T cell engaging ("TCE") bispecific antibody (the "License"). The Company also transferred know-how, including any necessary materials Context would need to perform research and development. In exchange for the License, the Company is eligible to receive up to $133.5 million in aggregate payments, including an upfront cash payment and potential development, regulatory and commercial milestones, as well as tiered mid-single digit to low double-digit royalties on future net sales of the products. In connection with the execution of the Context License Agreement, the Company also entered into an agreement with Himalaya Therapeutics SEZC, a related party (See Note 10).

A single performance obligation was identified under the Context License Agreement comprised of BioAtla's promise to transfer the License. Context is responsible for developing BA3362 and for global regulatory filings and commercialization. Context will bear all costs associated with the research, development, and commercialization of any products.

In accordance with Topic 606, the Company determined the transaction price of the agreement is limited to the up-front payment received, and excluded the variable consideration of development and sale milestone payments and royalties as they were fully constrained. As part of the Company's evaluation of the milestone constraints, the Company determined the achievement of such milestones are contingent upon success in future developments, regulatory approvals and commercial activities, which are not within its control and are uncertain at this stage. Variable consideration related to royalties would be recognized when the related sales occur. Further, the Company determined that there were no significant financing components, noncash consideration, or amounts that may be refunded to the customer.

Management determined that the transfer of the License did not meet any of the criteria for recognizing revenue over time, and therefore revenue was recognized at the point in time that the Context License Agreement was executed and the License was transferred to Context. Additional revenue was recognized for development milestone payment received in November 2025.

On May 14, 2026, the Company entered into a First Amendment (the "Context Amendment") to the Context License Agreement, by and between the Company and Context. Under the terms of the Context Amendment, and in full consideration for the amended license rights described below, Context agreed to pay to the Company: (i) $4,500,000, payable within five (5) business days of the effective date of the Context Amendment, and (ii) $2,000,000, payable by August 1, 2026 (together, the "Amendment Consideration").

The Amendment Consideration was recognized as revenue during the three and six months ended June 30, 2026 as all performance obligations had been previously satisfied. The Amendment Consideration represents consideration for the modification of the existing licensing arrangement and the elimination of future milestone and royalty payment obligations under the Context License Agreement. Accordingly, the Company accounted for the Context Amendment in accordance with ASC 606 contract modification guidance and recognized $6.5 million of revenue. The Amendment Consideration satisfies in full any and all milestone and royalty payment obligations contemplated by the Context License Agreement. In addition, the Context Amendment modified the license granted to Context such that it became irrevocable, exclusive, royalty-free, fully paid-up and non-terminable, and removed any and all diligence obligations with respect to Context.

The Company did not recognize any revenue related to the Context License Agreement for the three and six months ended June 30, 2025.

10. Related Party Transactions

Himalaya Therapeutics SEZC

Global Transaction Agreement

In September 2024, the Company entered into a Global Transaction Agreement (the "Himalaya Agreement") with Himalaya. BioAtla and Himalaya had previously entered into an Amended and Restated Exclusive Rights Agreement (the "Amended Rights Agreement") in January of 2020. Pursuant to the Amended Rights Agreement, Himalaya controls rights to develop, manufacture and commercialize certain assets, including BA3362 which was licensed to Context (see Note 9), in certain territories as further specified in the Amended Rights Agreement. Pursuant to the Himalaya Agreement, Himalaya consented to BioAtla's execution and performance of the Agreement, and granted to BioAtla an exclusive, worldwide, sublicensable license for those impacted products and intellectual property. Further, as set forth in the Amended Rights Agreement and further clarified in the Himalaya Agreement, BioAtla agreed to pay, subject to any applicable tax withholdings, to Himalaya (i) a mid-teens percentage of all upfront payments and development milestones received by BioAtla from Context under the Context License Agreement; and (ii) a specified percentage of any and all sales milestones and/or royalties based upon Net Sales (as defined in the Context License Agreement) in the People's Republic of China and the Special Administrative Regions of Hong Kong, Macao and Taiwan that BioAtla receives from Context under the Context License Agreement.

The Company is the principal in the Context License Agreement and in the Himalaya Agreement, and will record revenues and expenses on a gross basis given that the Company had full discretion in setting consideration pricing in the Context License Agreement, the Company will be primarily responsible for providing the License, and Himalaya has no obligation to be a part of any of the fulfillment activities.

For the three and six months ended June 30, 2026, the Company recognized $1.0 million in expense related to the transactions with Himalaya. For the three and six months ended June 30, 2025, the Company did not recognize any expense related to the transactions with Himalaya. As of June 30, 2026, the Company had $0.3 million due to Himalaya.

BA 3021 SPV, LLC

BA 3021 SPV LLC, a Delaware limited liability company (the "SPV"), was incorporated in December 2025. However, the Company has not yet completed the legal steps required to form the new entity as a wholly owned subsidiary, and the new entity has not issued any common units or finalized its limited liability company agreement as of June 30, 2026. The Company determined that BioAtla is the primary beneficiary of the SPV as of December 31, 2025 and June 30, 2026.

11. 401(k) Plan

The Company maintains a defined contribution 401(k) plan available to eligible employees. Employee contributions are voluntary and are determined on an individual basis, limited to the maximum amount allowable under federal tax regulations. The Company, at its discretion, may make certain matching contributions to the 401(k) plan. To date, the Company has not made any matching contributions.

12. Segment Information

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision-maker in making decisions regarding resource allocation and assessing performance. The Company is a clinical-stage biopharmaceutical company and has not generated any product revenue from its CAB antibody-based products. The Company's operations are organized and reported as a single reportable segment, which includes all activities related to the discovery, development, and commercialization of its CAB products. The Company's CODM, its chief executive officer, reviews operating results on an aggregate basis and manages the operations as a single operating segment. The measure of segment assets is reported on the condensed consolidated balance sheets as total assets. The CODM evaluates performance and allocates resources based on consolidated net income or loss that also is reported on the condensed consolidated statements of operations and comprehensive income (loss) as net income (loss), and cash used in operations.

The following table provides R&D expenses by program with a reconciliation to net income (loss) for the periods indicated, which are regularly reviewed by the CODM:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)		(in thousands)	
Collaboration and other revenue	$ 6,500	$ —	$ 6,500	$ —
Program expenses:				
BA3182 (CAB EpCAM x CAB CD3)	$ 322	$ 2,136	$ 2,141	$ 3,076
Other CAB Programs	2,031	8,032	2,044	14,300
Total program expenses	2,353	10,168	4,185	17,376
Personnel and related	481	2,145	2,248	5,603
Equity-based compensation	135	567	457	1,342
Facilities and other	373	804	1,034	1,718
Total research and development expenses	3,342	13,684	7,924	26,039
General and administrative expenses				
Personnel and related	727	1,577	1,910	3,680
Equity-based compensation	485	810	1,119	1,680
Facilities and other	1,719	2,576	4,628	4,862
Total general and administrative expenses	2,931	4,963	7,657	10,222
Interest and other income (expense)	225	(64)	3,189	2,216
Net income (loss) and comprehensive income (loss)	$ 452	$ (18,711)	$ (5,892)	$ (34,045)

13. Subsequent Events

The Company has completed an evaluation of all subsequent events through August 13, 2026 for the condensed consolidated financial statements as of and for the three and six months ended June 30, 2026 to ensure these condensed consolidated financial statements include appropriate disclosure of events both recognized in the condensed consolidated financial statements and events which occurred but were not recognized in the condensed consolidated financial statements. Except as described below or elsewhere in these condensed consolidated financial statements, the Company has concluded that no subsequent event has occurred that requires disclosure.

In connection with the Context Amendment, the Company received the additional $2.0 million payment from Context that was due by August 1, 2026.

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

You should read the following discussion and analysis together with our unaudited condensed consolidated financial statements and notes thereto included in "Item 1. Financial Statements" of this Quarterly Report on Form 10-Q (this "Quarterly Report") and the audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2025 included in the Annual Report on Form 10-K, filed with the Securities and Exchange Commission, or the SEC, on March 31, 2026, as amended by Amendment No. 1 to the Annual Report on Form 10-K/A, filed with the SEC on April 29, 2026 (together, the "Annual Report"). In addition to historical information, this Quarterly Report contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including but not limited to those set forth under the caption "Risk Factors" in the Annual Report, and the caption "Risk Factors" in this Quarterly Report, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Furthermore, past operating results are not necessarily indicative of results that may occur in future periods.

Overview

We are a clinical-stage biopharmaceutical company developing our novel class of highly specific and selective antibody-based therapeutics for the treatment of solid tumor cancer. Our CABs capitalize on our proprietary discoveries with respect to tumor biology, enabling us to target known, validated tumor antigens that have previously been difficult or impossible to target. Our novel CAB therapeutic candidates exploit characteristic pH differences between the tumor microenvironment and healthy tissue. Unlike healthy tissue, the tumor microenvironment is acidic, and we have designed our antibodies to selectively bind to their targets on tumor cells under acidic pH conditions but not on targets in normal tissues. Our proprietary approach is to identify the necessary targeting and potency required for cancer cell destruction, while aiming to eliminate or greatly reduce on-target, off-tumor toxicity—one of the fundamental challenges of existing cancer therapies.

We are a United States-based company with facilities in San Diego, California. Since the commencement of our operations, we have focused substantially all of our resources on conducting research and development activities, including drug discovery, preclinical studies and clinical trials of our product candidates, including the completed Phase 2 clinical trials of mecbotamab vedotin (BA3011), ozuriftamab vedotin (BA3021), evalstotug (BA3071), and our ongoing Phase 1 clinical trial of BA3182 (CAB-EpCAM x CAB-CD3), establishing and maintaining our intellectual property portfolio, manufacturing clinical and research material through third parties, hiring personnel, establishing product development and commercialization collaborations with third parties, raising capital and providing general and administrative support for these operations.

On March 2, 2026, we announced that our Board of Directors initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. There can be no assurance that this process will result in any agreements or transactions. We do not intend to provide updates until our Board of Directors approves a specific action or otherwise determines whether disclosure is appropriate or required.

In connection with the evaluation of strategic options, we also implemented a reduction in force and other cost-containment measures intended to better align resources with our near-term priorities. In order to continue to preserve capital during this period, we are re-evaluating the timing and scope of our clinical development programs. As part of this process, we paused further enrollment in our ongoing Phase 1 study of BA3182 (CAB-EpCAM x CAB-CD3), while continuing treatment, follow-up of patients, including obtaining new scans in the study. We are also reassessing the appropriate timeline and pacing of further enrollment in the Phase 1 study as well as the appropriate timeline to commence a Phase 3 study for ozuriftamab vedotin (BA3021) (CAB-ROR2-ADC) in 2L+ oropharyngeal squamous cell carcinoma ("OPSCC"). While our goal is to continue these studies, there can be no assurances that clinical development of our programs will not be limited or delayed pending the outcome of the strategic process.

We have incurred significant losses to date. Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our current and future product candidates. We reported net income of $0.5 million and a net loss of $5.9 million for the three and six months ended June 30, 2026, compared to net losses of $18.7 million and $34.0 million for the three and six months ended June 30, 2025. As of June 30, 2026, we had an accumulated deficit of $551.5 million. These losses have resulted primarily from costs incurred in connection with research and development activities and general and administrative costs associated with our operations. We do not expect to generate meaningful revenue from product sales for the foreseeable future, and we expect to continue to incur significant operating expenses for the foreseeable future due to the cost of clinical development of our product candidates. During the year ended December 31, 2025, we implemented certain initiatives to lower cost and extend our cash runway, including a restructuring in March 2025 that included a 30% workforce reduction, and a reduction in our lease footprint by almost half in June 2025. Additionally, in March 2026 we implemented a restructuring plan that included a 70% workforce reduction. We expect our expenses to decrease in the near term as a result of the March 2026 workforce reduction, cost containment measures and capital preservation initiatives discussed above.

Over the long-term, we expect our expenses to increase substantially in connection with the development of our clinical programs beyond our existing and potential future clinical trials and potentially through the commercialization of our product candidates. As a result, we will require substantial additional capital to develop and commercialize our product candidates and fund operations for the foreseeable future. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity offerings, debt financings, collaborations and other similar arrangements. The amount and timing of our future funding requirements will depend on many factors, including the pace and results of our development efforts. We cannot assure you that we will ever be profitable or generate positive cash flow from operating activities.

As of June 30, 2026, our cash and cash equivalents totaled approximately $1.5 million. On May 14, 2026, we entered into a First Amendment (the "Context Amendment") to that certain License Agreement, dated September 23, 2024 (the "Context License Agreement"), by and between us and Context Therapeutics, Inc., a Delaware corporation ("Context"). Under the terms of the Context Amendment, and in full consideration for the amended license rights in the Context Amendment, we received $4,500,000 upfront from Context and the additional $2,000,000 that was due by August 1, 2026.

Based on our current operating plan, and along with our history of operating losses, our current cash and cash equivalents are not sufficient to fund our ongoing operations for a period of at least twelve months from the date the condensed consolidated financial statements included in this report are issued, and these circumstances raise substantial doubt about our ability to continue as a going concern.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from the sale of products and do not expect to generate meaningful revenue in the near future.

We have entered into collaborations and licensing agreements with various third parties that, in some cases, may provide for potential future milestone and royalty payments to us (see Note 9 to our condensed consolidated financial statements). In September 2024, we licensed BA3362, a Nectin-4 x CD3 T cell engaging bispecific antibody, to Context. In November 2025, we received the first $2.0 million milestone payment under the Context License Agreement.

In May 2026, in connection with the Context Amendment, we received $4.5 million. We subsequently received the additional $2.0 million that was due by August 1, 2026. We recognized $6.5 million in revenue during the three and six months ended June 30, 2026, related to these payments under the Context License Agreement. We did not recognize any revenue during the three and six months ended June 30, 2025, related to the Context License Agreement.

Operating Expenses

Research and Development

Research and development expenses consist primarily of costs incurred in the discovery and development of our product candidates.

- External expenses consist of:
  - Fees paid to third parties such as contractors, clinical research organizations (CROs) and consultants, and other costs related to preclinical and clinical trials;
  - Fees paid to third parties such as contract manufacturing organizations (CMOs) and other vendors for manufacturing research and clinical trial materials; and
  - Expenses related to laboratory supplies and services.
- Unallocated expenses consist of:
  - Personnel-related expenses, including salaries, benefits and equity-based compensation expenses, for personnel in our research and development functions; and
  - Related equipment and facilities depreciation expense.

We expense research and development costs in the periods in which they are incurred. Nonrefundable advance payments for goods or services to be received in future periods for use in research and development activities are deferred and capitalized. The capitalized amounts are then expensed as the related goods are delivered and services are performed.

We expect our research and development expenses to decrease in the near term due to cost containment measures and capital preservation initiatives discussed above. However, research and development could increase upon initiation of new clinical trials, including registrational trials for our lead product candidates. The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. Successful product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. Accordingly, to the extent that our product candidates continue to advance into clinical trials, including larger and later-stage clinical trials, our expenses will increase substantially and may become more variable. The actual probability of success for our product candidates may be affected by a variety of factors, including the safety and efficacy of our product candidates, the quality and consistency in their manufacture, investment in our clinical programs and competition with other products. As a result of these variables, we are unable to determine the duration and completion costs of our research and development projects and programs or when and to what extent we will generate revenue from the commercialization and sale of our product candidates. We may never succeed in achieving regulatory approval for any of our product candidates.

General and Administrative

Our general and administrative expenses include personnel-related expenses for personnel in our executive, finance, corporate and other administrative functions, intellectual property and patent costs, facilities and other allocated expenses, other expenses for outside professional services, including legal, human resources, investor relations, audit and accounting services and insurance costs. Personnel-related expenses consist of salaries, benefits and equity-based compensation.

Interest Income

Interest income consists primarily of interest earned on our cash and cash equivalent balances.

Gain (Loss) on Warrant Liability

Gain (loss) on warrant liability relates to the changes in the fair value of our liability-classified warrants to purchase common stock.

Gain on PPAs Liability

Gain on PPAs liability relates to the changes in the fair value of our liability-classified PPAs (as defined below).

Other Expense

Other expense consists of miscellaneous income and expense unrelated to our core operations.

Results of Operations

Comparison of the three months ended June 30, 2026 and 2025

	Three Months Ended June 30,		
	2026	2025	Change
	(in thousands)		
Collaboration and other revenue	$ 6,500	$ —	$ 6,500
Operating expenses:			
Research and development	$ 3,342	$ 13,684	$ (10,342)
General and administrative	2,931	4,963	(2,032)
Total operating expenses	6,273	18,647	(12,374)
Income (loss) from operations	227	(18,647)	18,874
Other income (expense):			
Interest income	16	233	(217)
Gain (loss) on warrant liability	220	(297)	517
Other expense	(11)	—	(11)
Total other income (expense)	225	(64)	289
Consolidated net income (loss) and comprehensive income (loss)	$ 452	$ (18,711)	$ 19,163

Collaboration and other revenue

Collaboration and other revenue was $6.5 million and $0.0 million during the three months ended June 30, 2026 and 2025, respectively. The $6.5 million increase was due to amounts due under the Context Amendment in the current quarter.

Research and development expense

The following table summarizes our research and development expenses allocated by CAB program for the periods indicated:

	Three Months Ended June 30,		
	2026	2025	Change
	(in thousands)		
External expenses:			
BA3182 (CAB EpCAM x CAB CD3)	$ 322	$ 2,136	(1,814)
Other CAB Programs	2,031	8,032	(6,001)
Total external expenses	2,353	10,168	(7,815)
Personnel and related	481	2,145	(1,664)
Equity-based compensation	135	567	(432)
Facilities and other	373	804	(431)
Total research and development expenses	$ 3,342	$ 13,684	$ (10,342)

Research and development expenses were $3.3 million and $13.7 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of approximately $10.3 million was primarily driven by a $8.8 million decrease in program development costs due to completion of our Phase 2 trials for mecbotamab vedotin, ozuriftamab vedotin, and evalstotug. The remaining decrease in research and development expense is due to a $2.1 million decrease in personnel related expense, including stock-based compensation, primarily due to our reduction in force in March 2026, and a $0.4 million decrease in facilities and other allocated costs. This was offset by a $1.0 million increase in related party expense incurred in connection with the Context Amendment in May 2026.

General and administrative expense

General and administrative expenses were $2.9 million and $5.0 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of approximately $2.0 million was primarily driven by a $1.2 million decrease in personnel related expense, including stock-based compensation, primarily due to our reduction in force in March 2026, a $0.8 million decrease in professional fees primarily related to the Company's intellectual property portfolio, offset by a $0.4 million increase in advisor fees

related to closing the Context Amendment in May 2026. The remaining $0.4 million decrease is related to facility and other allocated costs.

Interest income

Interest income was $0.0 million and $0.2 million for the three months ended June 30, 2026 and 2025, respectively. The decrease of $0.2 million was primarily due to lower cash and cash equivalents compared to the same period in 2025.

Gain (loss) on warrant liability

Gain on warrant liability was $0.2 million for the three months ended June 30, 2026, as compared to a loss on warrant liability of $0.3 million for the three months ended June 30, 2025. The increase of $0.5 million was due to the change in fair value of the warrants which were issued in December 2024 and are adjusted to fair value at each period, including the impact of an adjustment to the warrant exercise price related to the Share Consolidation which became effective in April 2026.

Comparison of the six months ended June 30, 2026 and 2025

	Six Months Ended June 30,		
(in thousands)	2026	2025	Change
Collaboration and other revenue	$ 6,500	$ —	$ 6,500
Operating expenses:			
Research and development	7,924	$ 26,039	$ (18,115)
General and administrative	7,657	10,222	(2,565)
Total operating expenses	15,581	36,261	(20,680)
Loss from operations	(9,081)	(36,261)	27,180
Other income (expense):			
Interest income	53	633	(580)
Gain on warrant liability	2,894	1,583	1,311
Gain on PPAs liability	273	—	273
Other expense	(31)	—	(31)
Total other income	3,189	2,216	973
Net loss and comprehensive loss	$ (5,892)	$ (34,045)	$ 28,153

Collaboration and other revenue

Collaboration and other revenue was $6.5 million and $0.0 million during the six months ended June 30, 2026 and 2025, respectively. The $6.5 million increase was due to amounts due under the Context Amendment in the current quarter.

Research and development expense

The following table summarizes our research and development expenses allocated by CAB program for the periods indicated:

	Six Months Ended June 30,		
(in thousands)	2026	2025	Change
External expenses:			
BA3182 (CAB EpCAM x CAB CD3)	$ 2,141	$ 3,076	$ (935)
Other CAB Programs	2,044	14,300	(12,256)
Total external expenses	4,185	17,376	(13,191)
Personnel and related	2,248	5,603	(3,355)
Equity-based compensation	457	1,342	(885)
Facilities and other	1,034	1,718	(684)
Total research and development expenses	$ 7,924	$ 26,039	$ (18,115)

Research and development expenses were $7.9 million and $26.0 million for the six months ended June 30, 2026 and 2025, respectively. The decrease of approximately $18.1 million was primarily driven by a $14.2 million decrease in program development costs due to completion of our Phase 2 trials for mecbotamab vedotin, ozuriftamab vedotin, and evalstotug, a $4.2 million decrease in personnel related expense, including stock-based compensation, primarily due to workforce reductions in March 2025 and March 2026, a lower bonus expense in 2026, and a $0.7 million decrease in facilities and other allocated costs. This was offset by a $1.0 million increase in related party expense incurred in connection with the Context Amendment in May 2026.

General and administrative expense

General and administrative expenses were $7.7 million and $10.2 million for the six months ended June 30, 2026 and 2025, respectively. The decrease of approximately $2.5 million was primarily driven by a $2.3 million decrease in personnel expense, including stock-based compensation, primarily due to workforce reductions in March 2025 and March 2026, and lower bonus expense in 2026, a $0.5 million decrease in professional fees primarily related to the Company's intellectual property portfolio, and a $0.4 million decrease in facility and other allocated costs. This was offset by a $0.4 million increase in advisor fees related to closing the Context Amendment in May 2026, and a $0.3 million increase in fees related to the Company's efforts to maintain compliance with Nasdaq listing requirements including the share consolidation that became effective in April 2026.

Interest income

Interest income was $0.1 million and $0.6 million for the six months ended June 30, 2026 and 2025, respectively. The decrease of $0.5 million was primarily due to lower cash and cash equivalents compared to the same period in 2025.

Gain on warrant liability

Gain on warrant liability was $2.9 million and $1.6 million for the six months ended June 30, 2026 and 2025, respectively. The increase of $1.3 million was due to the change in fair value of the warrants which were issued in December 2024 and are adjusted to fair value at each period, including the impact of an adjustment to the warrant exercise price related to the share consolidation which became effective in April 2026.

Gain on PPAs liability

Gain on PPAs liability was $0.3 million for the six months ended June 30, 2026 compared to zero for the six months ended June 30, 2025. The gain of $0.3 million was due to the change in fair value for our pre-paid agreement liability which was initiated in November 2025 and has been fully converted into common stock as of March 2026.

Liquidity and Capital Resources

We have incurred aggregate net losses and negative cash flows from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future. Since July 2020, we have funded our operations primarily through the issuance of equity. As of June 30, 2026, we had cash and cash equivalents of $1.5 million.

In November 2025, we entered into Pre-Paid Advance Agreements (the "PPAs") with each of YA II PN, Ltd., a Cayman Islands exempt limited partnership ("Yorkville"), Anson Investments Master Fund LP and Anson East Master Fund LP (collectively, the "Investors"). Pursuant to the PPAs, the Investors agreed to advance to us $7.5 million (the "Pre-Paid Advance"). The Pre-Paid Advance was purchased by the Investors at 95% of the face amount of the Pre-Paid Advance for gross proceeds of approximately $7.13 million. The Pre-Paid Advance accrued interest at an annual rate of 4%. As of March 2026, the entire balance of the Pre-Paid Advance has been converted into PPA Shares and no amounts remain outstanding under the PPAs.

In November 2025, we also entered into the Standby Equity Purchase Agreement (the "SEPA") with Yorkville pursuant to which we have the right to sell to Yorkville up to $15.0 million of shares of common stock (the "Commitment Amount"), subject to certain limitations and conditions set forth in the SEPA, during the 36 months beginning November 20, 2025 (such shares, the "SEPA Shares"). Sales of the SEPA Shares to Yorkville and the timing of any such sales, if elected to be utilized by us at a future date, are at our option, and we are under no obligation to sell any SEPA Shares to Yorkville. As consideration for Yorkville's commitment to purchase the SEPA Shares, we agreed to pay to Yorkville a commitment fee equal to 2.00% of the Commitment Amount, or $300,000, which was satisfied by the issuance to Yorkville of an aggregate of 4,868 shares of common stock (the "Commitment Shares"). As of June 30, 2026, 48,092 SEPA Shares had been sold under the SEPA, with gross proceeds to the Company totaling approximately $0.4 million.

In December 2024, we closed on an offering (the "December 2024 Offering") that included warrants to purchase up to 193,581 shares of common stock, which initially had an exercise price of $59.50 per share (the "Warrants") subject to certain adjustments

including for reverse stock splits and share consolidations. As a result of the April 6, 2026 Share Consolidation and pursuant to the re-pricing mechanism contained in the Warrants, the exercise price of the Warrants was adjusted to $4.35 to match the lowest VWAP of our common stock during the eleven (11) trading days commencing five (5) trading days immediately preceding the Share Consolidation and ending five (5) trading days immediately following the Share Consolidation. The Warrants became exercisable on June 20, 2025 and will expire five years from the date of initial exercisability. There were 193,581 Warrants outstanding and exercisable at June 30, 2026.

On May 14, 2026, we entered into the Context Amendment. Under the terms of the Context Amendment, and in full consideration for the amended license rights described below, we received $4.5 million upfront from Context and the additional $2.0 million that was due by August 1, 2026 (together, the "Amendment Consideration"). The Amendment Consideration satisfies in full any and all milestone and royalty payment obligations contemplated by the Context License Agreement. Among other modifications to the Context License Agreement, under the terms of the Context Amendment, the license granted to Context under the Context License Agreement is amended to be irrevocable, exclusive, royalty-free, fully paid-up and non-terminable, and any and all diligence obligations with respect to Context are removed.

Future Funding Requirements

Our primary uses of cash are to fund operating expenses, which consist primarily of research and development expenses related to our programs and related personnel costs. The timing and amount of future funding requirements depends on many factors, including the following:

- the timing and outcome of our recently initiated evaluation of strategic options;
- the initiation and advancement, scope, rate of progress, completion of enrollment, results and costs of our preclinical studies, clinical trials and other related activities for our product candidates;
- the costs associated with manufacturing our product candidates and establishing commercial supplies and sales, marketing and distribution capabilities;
- the timing and costs of capital expenditures to support our research and development efforts;
- the number and characteristics of other product candidates that we pursue;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make in connection with the licensing, filing, defense and enforcement of any patents or other intellectual property rights;
- the timing, receipt and amount of sales from our potential products;
- our need and ability to hire additional management, scientific and medical personnel;
- the effect of competing products that may limit market penetration of our product candidates;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems;
- the economic and other terms, timing and success of any collaboration, licensing, or other arrangements into which we may enter in the future, including the timing of receipt of any milestone or royalty payments under these agreements;
- the compliance and administrative costs associated with being a public company; and
- the extent to which we acquire or invest in businesses, products or technologies, although we have no commitments or agreements relating to any of these types of transactions.

Based on our current operating plan, our current cash and cash equivalents are not sufficient to fund our ongoing operations for a period of at least twelve months from the date the condensed consolidated financial statements included in this Quarterly Report are issued. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. These circumstances raise substantial doubt about our ability to continue as a going concern.

On March 2, 2026, we announced a formal process to explore and evaluate strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. The Company plans to continue to fund its losses from operations and capital funding needs through proceeds received through the SEPA, this strategic process, other public or private equity or debt financings, or other sources. In connection with the evaluation of strategic options, the Company also implemented a reduction in force and other cost-containment measures intended to better align resources with its near-term priorities. In order to continue to preserve capital during this period, the Company is re-evaluating the timing and scope of its clinical development programs.

While management believes additional funds can be raised through a combination of these approaches, which may alleviate the conditions that raise substantial doubt, these plans are not entirely within our control and cannot be assessed as being probable of occurring. We may not be able to secure additional financing in a timely manner or on favorable terms, if at all. If the Company is not able to secure adequate additional funding, the Company may be forced to make further reductions in spending, extend payment terms with suppliers, liquidate assets where possible, suspend or curtail planned programs or wind down the Company. Any of these actions could materially harm the Company's business, results of operations and future prospects.

To the extent that we raise additional capital through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates. We may also have to forego future revenue streams of research programs at an earlier stage of development or on less favorable terms than we would otherwise choose, or have to grant licenses on terms that may not be favorable to us. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. For example, market volatility resulting from a variety of causes, including recent and future government shutdowns, tariffs and trade disputes with other countries, inflation, high interest rates, growing recession risks, supply chain disruptions, and geopolitical tensions and disruptions, including the US and EU sanctions on Russian oil and gas, the ongoing conflict between Russia and Ukraine, the wars between Israel and the terrorist groups Hamas and Hezbollah, geopolitical instability in Venezuela and the conflict in Iran, could adversely impact our ability to access capital as and when needed. We may choose to raise additional capital through the issuance of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to our investors and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, acquiring other businesses, products or technology, or declaring dividends. If we are unable to obtain additional funding from these or other sources, it may be necessary to significantly reduce our rate of spending through additional reductions in staff and delay, scale back or stop certain research and development programs.

Cash Flows

The following summarizes our cash flows for the periods indicated:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ (5,686)	$ (30,408)
Financing activities	112	(431)
Net decrease in cash and cash equivalents	$ (5,574)	$ (30,839)

Cash used in operating activities

Net cash used in operating activities for the six months ended June 30, 2026 was $5.7 million, which consisted of a net loss of $5.9 million, a net change of $1.7 million in our operating assets and liabilities and $1.5 million of non-cash transactions. The net change in our operating assets and liabilities was primarily due to an increase in accounts payable and accrued expenses of $3.4 million, an increase in operating lease ROU asset and lease liability of $0.1 million, and a decrease in prepaid expenses and other assets of $0.2 million, offset by an increase in accounts receivable of $2.0 million. The non-cash transactions primarily consisted of $2.9 million related to the change in fair value of the warrant liability and $0.3 million related to the change in fair value of the PPAs liability, offset by $1.6 million of stock-based compensation and non-cash charges of $0.1 million related to depreciation and amortization.

Net cash used in operating activities for the six months ended June 30, 2025 was $30.4 million, which consisted of a net loss of $34.0 million, a net change of $1.9 million in our operating assets and liabilities and $1.7 million of non-cash transactions. The net change in our operating assets and liabilities was primarily due to an increase in accounts payable and accrued expenses of $2.5 million, offset by an increase in prepaid expenses and other assets of $0.4 million and a net decrease in operating lease right-of-use assets and lease liabilities of $0.3 million. The non-cash transactions primarily consisted of $3.0 million of stock-based compensation and non-cash charges of $0.3 million related to depreciation and amortization, offset by $1.6 million related to the change in fair value of the warrant liability.

Cash provided by (used in) financing activities

Net cash provided by financing activities was $0.1 million for the six months ended June 30, 2026, consisting primarily of proceeds from issuance of common stock under the SEPA of $0.4 million, offset by the payment of financing costs in connection with the PPAs and SEPA of $0.3 million.

Net cash used in financing activities was $0.4 million for the six months ended June 30, 2025, consisting primarily of the payment of financing costs in connection with the December 2024 offering and the payment of taxes related to the net settlement of restricted stock units, partially offset by the proceeds from the issuance of common stock under the ESPP and the 2020 Plan.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated, and reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Our critical accounting policies are those accounting principles generally accepted in the United States that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations, as well as the specific manner in which we apply those principles. For a description of our critical accounting policies, see the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates" contained in our Annual Report. There have not been any material changes to the critical accounting policies discussed therein during the six months ended June 30, 2026.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable to a smaller reporting company.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2026. The term "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of June 30, 2026, our Chief Executive Officer and our Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2026 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.

From time to time, we may be subject to various claims and suits arising in the ordinary course of business. We are not currently a party to any legal proceedings the outcome of which we believe, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, operating results or financial condition.

Item 1A. Risk Factors.

Risk Factor Summary

Investing in our common stock involves a high degree of risk. You should carefully consider all information in this Quarterly Report, including our condensed consolidated financial statements and related notes appearing elsewhere in this report and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before purchasing our common stock. These risks and uncertainties include, but are not limited to, the following:

- We have initiated a formal process to explore and evaluate strategic options, and there is no guarantee that this strategic path will be successful.
- If we are unable to successfully complete a strategic transaction, we may be forced to cease operations altogether or file for bankruptcy protection.
- We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale, and we have a history of significant losses and expect to continue to incur significant losses for the foreseeable future.
- We will require substantial additional capital to finance our operations, and if we fail to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce or eliminate one or more of our research and drug development programs or future commercialization efforts.
- We have incurred significant losses and negative cash flows from operations since our inception. We may incur losses over the next several years and may never achieve or maintain profitability. These factors raise substantial doubt about our ability to continue as a going concern and we will need additional funding to continue development of our CAB technology platform and our CAB product candidates.
- Our product candidates may fail in development or suffer delays that adversely affect their commercial viability.
- We are substantially dependent on the success of our patented CAB technology platform, and our future success depends heavily on the successful development of this platform.
- Results from early-stage clinical trials may not be predictive of results from late-stage or other clinical trials, and the results of our clinical trials may not satisfy the requirements of the U.S. Food and Drug Administration ("FDA"), the European Medicine Agency ("EMA") or other comparable foreign regulatory authorities.
- We may expend our resources to pursue particular product candidates and fail to capitalize on product candidates that may be more profitable or for which there is a greater likelihood of success.
- The market may not be receptive to our product candidates because they are based on our novel therapeutic modality, and we may not generate any future revenue from the sale or licensing of product candidates.
- Preliminary, preplanned interim and topline data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.
- Delays in the commencement and completion of clinical trials could increase costs and delay or prevent regulatory approval and commercialization of our product candidates.
- We face competition from entities that have developed or may develop product candidates for cancer, including companies developing novel treatments and technology platforms.
- We are currently not in compliance with Nasdaq's continued listing requirements. If we are unable to comply with Nasdaq's continued listing requirements, our common stock could be delisted.
- We may be unable to obtain U.S. or foreign regulatory approval and, as a result, unable to commercialize our product candidates.

- We intend to seek approval from the FDA or comparable foreign regulatory authorities through the use of accelerated approval pathways, if available, and if we are unable to obtain such approval, we may be required to conduct additional preclinical studies or clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals.
- We may seek Fast Track designation for one or more of our product candidates but we might not receive such designation and, even if granted, such designation may not lead to a faster development or regulatory review or approval process and does not increase the likelihood that our product candidates will receive regulatory approval.
- Even if we receive regulatory approval for any of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense.
- There is substantial uncertainty regarding the Administration's initiatives and how these might impact the FDA, including its implementation of laws, regulations, policies and guidance and its personnel. Similar initiatives may also be directed toward other government agencies. These initiatives could prevent, limit or delay development and regulatory review and approval of our product candidates, which would negatively impact our business.
- If we fail to attract and retain qualified senior management and key scientific personnel, our business may be materially and adversely affected.
- If we are unable to establish sales, marketing and distribution capabilities on our own or through third parties, we may not be able to market and sell our product candidates, if approved, effectively in the United States and foreign jurisdictions or generate product revenue.
- A portion of our research and development activities take place in China, and uncertainties regarding the interpretation and enforcement of Chinese laws, rules and regulations, a trade war, deterioration of international relations, or political unrest in China could materially adversely affect our business, financial condition and results of operations.
- We face risks related to health epidemics and outbreaks which could significantly disrupt our preclinical studies and could affect enrollment of patients in our clinical trials. Continuation and increasing severity of these conditions could delay or prevent our receipt of necessary regulatory approvals.
- If we fail to enter into collaborations with third parties for the development and commercialization of certain of our product candidates, or if our current and future collaborations are not successful, we may not be able to capitalize on the market potential of our patented technology platform and resulting product candidates.
- If we are not able to obtain, maintain and protect our intellectual property rights in any product candidates or technologies we develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, third parties could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market.
- Intellectual property rights of third parties could prevent or delay our drug discovery and development efforts and could adversely affect our ability to commercialize our product candidates, and we might be required to litigate or obtain licenses from third parties in order to discover, develop or market our product candidates.
- The future issuance of equity or of debt securities that are convertible into equity will dilute our share capital.
- Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval and their interests may conflict with your interests as an owner of our common stock.

Risk Factors

Risks related to the formal process to explore and evaluate strategic options

We have initiated a formal process to explore and evaluate strategic options, and there is no guarantee that this strategic path will be successful.

We are exploring and evaluating strategic options to maximize shareholder value, including sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. We expect to devote substantial time and resources to exploring such strategic options; however, there is no set time frame and there can be no assurance that such activities will result in any agreements or transactions that will enhance shareholder value. Evaluating a strategic option may divert the attention of our management from ordinary operating matters. The identification, negotiation and completion of any such transaction may also require

more time and cash resources than we anticipate. In addition, potential strategic options that require stockholder approval may not be approved by our stockholders.

There can be no assurance that our process to identify and evaluate potential strategic options will result in any definitive offer to consummate a strategic transaction, or if made that the terms thereof will be acceptable to us. If any definitive offer to consummate a strategic transaction is received, there can be no assurance that a definitive agreement will be executed or that, if a definitive agreement is executed, the transaction will be consummated. In addition, there can be no assurance that any transaction involving us and/or our assets that is consummated would enhance shareholder value.

If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks, including increased near-term or long-term expenditures, exposure to unknown liabilities, incurrence of substantial debt, higher-than-expected acquisition and integration costs, write-downs of assets or impairment charges and increased amortization expenses. If a strategic transaction is not completed, we may be subject to a number of material risks or suffer a number of consequences that may adversely affect our business, financial results and operations.

If we are unable to successfully complete a strategic transaction, we may be forced to cease operations altogether or file for bankruptcy protection.

There can be no assurance that any of our plans will be successful or that additional capital will be available to us on reasonable terms, or at all, when needed or that we will successfully complete a strategic transaction. If we are unable to obtain sufficient additional capital or to conclude a successful strategic transaction, we may be forced to defer, reduce or eliminate significant planned expenditures, dispose of technology or assets including intangible assets, conclude a strategic transaction that is unfavorable to stockholders, enter into arrangements that may require us to relinquish rights to certain of our products or product candidates, technologies or potential markets, delay or stop ongoing clinical trials, cease operations altogether or file for bankruptcy protection.

Our board of directors remains dedicated to diligently deliberating upon and making informed decisions that the directors believe are in the best interests of the Company and its stockholders. There can be no assurance, however, that our current strategic direction, or our board of director's evaluation of strategic options, will result in any initiatives, agreements, transactions or plans that will further enhance shareholder value.

In addition, given the current restructuring of our operations and recent workforce reduction, it may be difficult to evaluate our current business and future prospects on the basis of historical operating performance.

We may not realize any additional value in a strategic transaction.

Potential counterparties in a strategic transaction involving the Company may place minimal or no value on our assets. Further, the development and any potential commercialization of our product candidates will require substantial additional cash to fund the costs associated with conducting the necessary preclinical and clinical testing and obtaining regulatory approval. Consequently, any potential counterparty in a strategic transaction involving the Company may choose not to spend additional resources for the development of our product candidates and may attribute little or no value, in such a transaction, to those product candidates.

If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks.

Although there can be no assurance that a strategic transaction will result from the process we have undertaken to identify and evaluate strategic options, the negotiation and consummation of any such transaction will require significant time on the part of our management, and the diversion of management's attention may disrupt our business. The negotiation and consummation of any such transaction may also require more time or greater cash resources than we anticipate and expose us to other operational and financial risks, including:

- inability to retain our key employees;
- increased near-term and long-term expenditures;
- exposure to unknown liabilities;
- higher than expected acquisition or integration costs;
- incurrence of substantial debt or dilutive issuances of equity securities to fund future operations;
- write-downs of assets or incurrence of non-recurring, impairment or other charges;
- increased amortization expenses; and

- possibility of future litigation.

Any of the foregoing risks could have a material adverse effect on our business, financial condition and prospects.

We may not fully realize the expected cost savings and/or operating efficiencies from our restructuring activities and our ability to consummate a strategic transaction depends on our ability to retain our employees required to consummate such transaction.

On March 2, 2026, we announced that we have initiated a formal process to explore and evaluate strategic options to maximize shareholder value, including sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. In connection with the evaluation of strategic alternatives, we have implemented a restructuring plan that included a workforce reduction of approximately 70%.

We believe that these changes were needed to streamline our organization and reallocate our resources to better align with our current strategic goals, including our current focus on pursuing strategic options. However, these expense reduction measures have and may continue to yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond our intended reductions in workforce, and the risk that we may not achieve the anticipated benefits, all of which may have an adverse effect on our results of operations or financial condition.

Our ability to consummate a strategic transaction depends upon our ability to retain our employees required to consummate such a transaction, the loss of whose services may adversely impact the ability to consummate such transaction. There is no set timetable for the process we have initiated to explore strategic options and there can be no assurance that this process will result in the Company pursuing a transaction or that any transaction, if pursued, will be completed on attractive terms. If we are unable to complete a transaction, we may be required to seek a reorganization, liquidation or other restructuring. In addition, our cash conservation activities, as well as the announcement that we are seeking strategic options, may yield unintended consequences.

Transactions that we have previously entered into may be re-evaluated or restructured as part of the strategic process, and there can be no assurance that clinical development of our programs will not be limited or delayed as a result of the strategic process.

As part of the strategic process, transactions we have previously entered into may be re-evaluated or restructured. For example, the previously announced transaction with Inversagen AI, LLC is being re-evaluated and may not close, or if it does close, may close on materially different terms than originally contemplated. As a result, we may fail to realize the anticipated benefits of such transactions, which could adversely affect our research and development capabilities, competitive position and long-term business prospects.

In addition, there can be no assurance that clinical development of our programs will not be limited or delayed as a result of the strategic process. We are actively re-evaluating the timing and scope of our clinical development programs, and clinical trial timelines have been adjusted, extended or paused pending the outcome of the strategic process. Any such limitation, delay or suspension of our clinical development activities could harm our ability to advance our product candidates, generate meaningful clinical data and achieve key development milestones on a timely basis, or at all.

Risks related to our financial position and need for additional capital

We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved for commercial sale. We have a history of significant losses and we expect to continue to incur significant losses for the foreseeable future, which together with our limited operating history, makes it difficult to assess our future viability.

We are a Phase 2 clinical-stage biopharmaceutical company with a limited operating history upon which you can evaluate our business and prospects. We have no products approved for commercial sale and have not generated any revenue from product sales. Since the commencement of our operations, we have focused substantially all of our resources on conducting research and development activities, including drug discovery, preclinical studies and clinical trials of our product candidates, including the Phase 2 clinical trials of mecbotamab vedotin (BA3011), ozuriftamab vedotin (BA3021), evalstotug (BA3071), and the ongoing Phase 1 clinical trial of BA3182 (CAB-EpCAM x CAB-CD3), establishing and maintaining our intellectual property portfolio, manufacturing clinical and research material through third parties, hiring personnel, establishing product development and commercialization collaborations with third parties, raising capital and providing general and administrative support for these operations. We have not yet demonstrated our ability to successfully obtain marketing approvals, manufacture a commercial-scale product or arrange for a third party to do so on our behalf or conduct sales and marketing activities necessary for successful product commercialization. As a result, it may be more difficult for you to assess our future viability than it could be if we had a longer operating history.

We have incurred significant losses to date. Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our current and future product candidates. Our net losses were $59.6 million and $69.8 million for the years ended December 31, 2025 and 2024, respectively. For the six

months ended June 30, 2026 and 2025, our net losses were $5.9 million and $34.0 million, respectively. As of June 30, 2026, we had an accumulated deficit of $551.5 million. These losses have resulted primarily from costs incurred in connection with research and development activities and general and administrative costs associated with our operations. We do not expect to generate meaningful revenue from product sales for the foreseeable future, and we expect to continue to incur significant operating expenses for the foreseeable future due to the cost of research and development, including identifying and designing product candidates and conducting preclinical studies and clinical trials, and the regulatory approval process for our product candidates. In the near term, we expect that these expenses will begin to decrease as we complete certain clinical trials, however, these expenses, and the potential for losses, may generally increase as we progress our lead product candidates through the regulatory approval process. We also expect that our expenses will vary as a result of macroeconomic factors, including inflation. For example, recently, several of our vendors have passed along price increases they have experienced in their own business as a result of inflation.

However, the amount of our future expenses and potential losses is uncertain. Our ability to achieve profitability, if ever, will depend on, among other things, our successfully developing product candidates, obtaining regulatory approvals to market and commercialize product candidates, manufacturing any approved products on commercially reasonable terms and potentially establishing a sales and marketing organization or suitable third-party alternatives to commercialize any approved product. If we, or our existing or future collaborators, are unable to develop and commercialize one or more of our product candidates or if sales revenue from any product candidate that receives approval is insufficient, we will not achieve profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We will require substantial additional capital to finance our operations. If we are unable to raise such capital when needed, or on acceptable terms, we may be forced to delay, reduce or eliminate one or more of our research and drug development programs or future commercialization efforts.

The development of biopharmaceutical products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. Our operations have consumed substantial amounts of cash since inception, and we will continue to incur significant expenses in connection with our ongoing activities, particularly as we conduct clinical trials of, and seek marketing approval for mecbotamab vedotin, ozuriftamab vedotin, evalstotug, and BA3182. Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with sales, marketing, manufacturing and distribution activities. Our expenses could increase beyond expectations if we are required by the FDA, the EMA or other comparable foreign regulatory authorities to perform clinical trials or preclinical studies in addition to those that we currently anticipate. Other unanticipated costs may also arise. Because the design and outcome of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amount of resources and funding that will be necessary to successfully complete the development and commercialization of any product candidate we develop. Accordingly, we will need to obtain substantial additional funding in order to continue our operations.

Advancing the development of our product candidates will require a significant amount of capital. Our existing cash and cash equivalents are not sufficient to fund any of our product candidates through regulatory approval. Because the length of time and activities associated with successful research and development of any individual product candidate are highly uncertain, we are unable to estimate the actual funds we will require for development, marketing approval and commercialization activities. The timing and amount of our operating expenditures will depend largely on:

- the timing and outcome of our recently initiated evaluation of strategic options;
- the timing and progress of our ongoing and planned clinical trials;
- the number and scope of preclinical and clinical programs we decide to pursue;
- the progress of our collaborators with whom we have entered, or may in the future enter, into collaboration agreements and research and development agreements;
- our ability to maintain our current licenses, collaboration and research and development programs or possibly establish new collaboration arrangements;
- the costs involved in prosecuting and enforcing patent and other intellectual property claims;
- the cost and timing of regulatory approvals; and
- our efforts to enhance operational systems and attract and retain personnel, including personnel to support development of our product candidates and satisfy our obligations as a public company.

If we are unable to obtain funding on a timely basis, including under our current or future collaborations, or on acceptable terms, we may have to wind down the company, delay, reduce or terminate further development of our CAB technology platform and CAB product candidates, limit strategic opportunities or undergo reductions in our workforce or other corporate restructuring activities. We may seek to raise any necessary additional capital through a combination of public or private equity offerings, debt financings,

collaborations, strategic alliances, licensing arrangements and other marketing and distribution arrangements. We cannot assure you that such financing will be available at acceptable terms to us, if at all. Failure to generate sufficient cash flows from operations, raise additional capital, and reduce discretionary spending should additional capital not become available could have a material adverse effect on our ability to achieve our intended business objectives. To the extent that we raise additional capital through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our product candidates. We may also have to forego future revenue streams of research programs at an earlier stage of development or on less favorable terms than we would otherwise choose or have to grant licenses on terms that may not be favorable to us. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. Our financial condition could be adversely affected by general conditions in the global economy and in the global financial markets. For example, global financial crises have caused extreme volatility and disruptions in the capital and credit markets. If banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition. A severe or prolonged economic downturn, such as a global financial crisis, could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. If we do raise additional capital through public or private equity or convertible debt offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financings, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, licensing product rights, entering into product development collaborations, acquiring other businesses, products or technology or declaring dividends. If we are unable to obtain additional funding from these or other sources, it may be necessary to significantly reduce our rate of spending through reductions in staff and delay, scale back or stop certain research and development programs.

We have incurred significant losses and negative cash flows from operations since our inception. We may incur losses over the next several years and may never achieve or maintain profitability. Without taking other actions, these factors raise substantial doubt about our ability to continue as a going concern and we will need additional funding to continue development of our CAB technology platform and our CAB product candidates.

We are exploring and evaluating strategic options to maximize shareholder value, including the sale of preclinical and clinical assets, licensing transactions, strategic partnerships or other corporate transactions. We may be forced to wind-down our operations if we are unable to consummate a strategic transaction and/or obtain sufficient funding.

As of June 30, 2026, we had approximately $1.5 million in cash and cash equivalents. Based on our current operating plan, and along with our history of operating losses, our current cash and cash equivalents are not sufficient to fund our ongoing operations for a period of at least twelve months from the date the condensed consolidated financial statements included in this report are issued, and these circumstances raise substantial doubt about our ability to continue as a going concern. Our estimate as to how long we expect our existing cash and cash equivalents to be able to continue to fund our operations is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned.

We expect to finance our future cash needs through equity or debt financings, strategic collaborations transactions, or a combination of these approaches. However, there can be no assurance that we will be successful in acquiring additional funding at levels sufficient to fund our operations or on terms favorable or acceptable to us, if at all. In addition, our ability to raise additional funds may be adversely impacted by negative global economic conditions and any disruptions to and volatility in the credit and financial markets in the United States and worldwide or other factors. If we are unable to obtain adequate financing when needed or on terms favorable or acceptable to us, we may be forced to wind down the company, delay, reduce the scope of or eliminate one or more of our research and development programs. Moreover, the terms of any financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities by us, whether equity or debt, or the market perception that such issuances are likely to occur, could cause the market price of our common stock to decline. If we are unable to raise sufficient capital when needed, our business, financial condition and results of operations will be harmed, and we will need to significantly modify our operational plans to continue as a going concern. If we are unable to continue as a going concern, we might have to liquidate our assets and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our condensed consolidated financial statements.

Any additional capital raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current and future product candidates, if approved. The perception that we might be unable to continue as a going concern may also make it more difficult to obtain financing for the continuation of our operations on terms that are favorable to us, or at all, and could result in the loss of confidence by investors and employees.

We invest a portion of our cash in a money market fund, which is vulnerable to market-specific risks that could adversely affect our business and financial condition.

We invest a portion of our cash in a money market fund backed by U.S. government securities. All securities are subject to risk, including fluctuations in interest rates, credit risk, market risk and systemic economic risk. Changes or movements in any of these investment-related risk items may result in a loss or impairment to our invested cash and may have a material adverse effect on our business and financial condition.

Risks related to the discovery, development and commercialization of our product candidates

Our current product candidates are in various stages of development. Our product candidates may fail in development or suffer delays that adversely affect their commercial viability. If we or our existing or future collaborators are unable to complete development of, obtain regulatory approval for or commercialize our product candidates or experience significant delays in doing so, our business will be materially harmed.

We have no products on the market and our product candidates are in various stages of development. We have completed clinical trials of mecbotamab vedotin, ozuriftamab vedotin, and evalstotug, and are continuing patient treatment and follow-up in a Phase 1 trial of BA3182. Various other product candidates are in earlier stages of development. Our ability to achieve and sustain profitability depends on obtaining regulatory approvals for and, if approved, successfully commercializing our product candidates, either alone or with third parties. Before obtaining regulatory approval for the commercial distribution of our product candidates, we or an existing or future collaborator must conduct extensive preclinical tests and clinical trials to demonstrate the safety, efficacy, purity and potency of our product candidates. Any product candidate can unexpectedly fail at any stage of preclinical or clinical development and the historical failure rate for product candidates is high. The results from preclinical testing of a product candidate may not predict the results that will be obtained in later clinical trials of the product candidate. We or our existing or future collaborators may experience issues that delay or prevent clinical testing and regulatory approval of, or our ability to commercialize, product candidates, including, among others:

- delays in our clinical trials resulting from external factors including global conflicts and health epidemics;
- negative or inconclusive results from preclinical testing or clinical trials leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- unforeseen safety issues, including occurrence of treatment emergent adverse events ("TEAEs") associated with the product candidate that are viewed to outweigh the product candidate's potential benefits or to expose participants in clinical trials to an unreasonable and significant risk of illness or injury at an effective dose;
- side effects experienced by participants in clinical trials or by individuals using therapeutic biologics that share characteristics with our product candidates;
- delays in submitting INDs or comparable foreign applications or delays or failure in obtaining the necessary approvals from regulators or institutional review boards ("IRBs"), to commence a clinical trial, or a suspension or termination of a clinical trial, including a clinical hold issued by a regulator, once commenced;
- conditions imposed by the FDA or comparable foreign authorities, including the EMA, regarding the scope or design of clinical trials;
- delays in enrolling patients in clinical trials;
- high drop-out rates of patients;
- inadequate drug materials or other supplies necessary for the conduct of our clinical trials;
- inability to obtain alternative sources of supply for which we have a single source for product candidate components or materials, if necessary;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials;
- unfavorable FDA or other regulatory authority inspection and review of a clinical trial site;
- deficiencies in our third-party manufacturers' manufacturing processes or facilities;
- success or further approval of competitor products approved in indications in which we undertake development of our product candidates, which may change the standard of care or change the standard for approval of our product candidates in our proposed indications;

- failure of any third-party contractors, investigators or contract research organizations ("CROs"), to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our technology or product candidates in particular; or
- varying interpretations of data by the FDA and comparable foreign regulatory authorities, including the EMA.

Because CABs represent a new generation of antibodies, a delay or failure in development of any CAB product candidate could represent a major set-back for our patented technology platform and for our company generally.

Results from early-stage clinical trials may not be predictive of results from late-stage or other clinical trials, and the results of our clinical trials may not satisfy the requirements of the FDA, EMA or other comparable foreign regulatory authorities.

Positive and promising results from preclinical studies and early-stage clinical trials may not be predictive of results from late-stage clinical trials or from clinical trials of the same product candidates for the treatment of other indications. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. Late-stage clinical trials could differ in significant ways from early-stage clinical trials, including changes to inclusion and exclusion criteria, efficacy endpoints, dosing regimen and statistical design.

Moreover, success in clinical trials in a particular indication does not guarantee that a product candidate will be successful for the treatment of other indications. Many companies in the biopharmaceutical industry have suffered significant setbacks in late-stage clinical trials after achieving encouraging or positive results in early-stage development. We cannot assure you that we will not face similar setbacks in our ongoing or planned clinical trials or in any subsequent or post-marketing confirmatory clinical trials. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA, EMA or comparable foreign regulatory authority approval. We cannot guarantee that the FDA will agree with our clinical trial plans, and we cannot assure you that the FDA will agree that the results from our trials will be sufficient to support approval of any of our product candidates. For example, the objective response rates on our primary endpoints may not be sufficient, we may not demonstrate a sufficient duration of response, or there may be limitations with the total sample size of our studies and dose selection strategy. Recently, the FDA has increasingly scrutinized oncology clinical trial results where a substantial portion of the enrollment took place outside the U.S. on the basis that the results from these sites are not applicable to the U.S. population due at least in part to choice of comparator. While we intend to enroll sufficient numbers of U.S. patients to address these concerns, the FDA may disagree and question the applicability of the clinical trial results to the U.S. population. To the extent that the results of the trials are not satisfactory to the FDA, EMA or comparable foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. Even if regulatory approval is secured for any of our product candidates, the terms of such approval may limit the scope and use of our product candidate, which may also limit its commercial potential. Furthermore, the approval policies or regulations of the FDA, EMA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval, which may lead to the FDA, EMA or comparable foreign regulatory authorities delaying, limiting or denying approval of our product candidates.

Furthermore, there have been in the past, and may be in the future, investigator-initiated clinical trials using our investigational products. We do not control the design or administration of these or any other investigator-initiated trials that may be conducted, nor the submission or approval of any IND or foreign equivalent required to conduct any such trials. Any investigator-initiated trials could, depending on the actions of such third parties, jeopardize the validity of the clinical data generated, identify significant concerns with respect to our product candidates that could impact our findings or clinical trials, and adversely affect our ability to obtain marketing approval from the FDA, EMA or comparable foreign regulatory authorities. To the extent the results of these or other investigator-initiated trials are inconsistent with, or different from, the results of our ongoing or planned company-sponsored trials or raise concerns regarding our product candidates, the FDA or a comparable foreign regulatory authority may question the results of the company-sponsored trial, or subject such results to greater scrutiny than it otherwise would. In these circumstances, the FDA or such foreign regulatory authorities may require us to obtain and submit additional clinical data, which could delay clinical development or marketing approval of our product candidates. In addition, while investigator-initiated trials could be useful to inform our own clinical development efforts, there is no guarantee that we will be able to use the data from these trials to support regulatory approval of our product candidates.

We are substantially dependent on the success of our patented CAB technology platform, and our future success depends heavily on the successful development of this platform.

We use our CAB technology platform to develop product candidates for cancer. Any failures or setbacks involving our CAB technology platform, including adverse events, could have a detrimental impact on all of our product candidates and our research

pipeline. For example, we may uncover a previously unknown risk associated with CABs or other issues that may be more problematic than we currently believe, which may prolong the period of observation required for obtaining, necessitate additional clinical testing or result in the failure to obtain, regulatory approval. If our CAB technology is not safe in certain product candidates, we could be required to abandon or redesign all of our current product candidates, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may not be successful in our efforts to use and expand our patented CAB technology platform to continue to build a pipeline of product candidates and develop marketable products.

We have used our patented technology platform to develop CABs in oncology indications with our lead product candidates mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and other preclinical product candidates. We may also in the future continue to build our pipeline of CAB product candidates. Our business depends not only on our ability to successfully develop, obtain regulatory approval for, and commercialize the product candidates we currently have in clinical and preclinical development, but to continue to generate new product candidates through our platform. Even if we are successful in continuing to build our pipeline and further progress the clinical development of our current product candidates, any additional product candidates may not be suitable for clinical development, including as a result of harmful side effects, manufacturing issues, limited efficacy or other characteristics that indicate that they are unlikely to be products that will succeed in clinical development, receive marketing approval or achieve market acceptance. If we cannot validate our technology platform by successfully commercializing CAB product candidates, we may not be able to obtain product, licensing or collaboration revenue in future periods, which would adversely affect our business, financial condition, results of operations and prospects.

We may expend our resources to pursue particular product candidates and fail to capitalize on product candidates that may be more profitable or for which there is a greater likelihood of success.

As a result of our limited financial and managerial resources, we must make strategic decisions as to which targets and product candidates to pursue and may forego or delay pursuit of opportunities with other targets or product candidates or for other indications that later prove to have greater commercial potential. For example, we are exploring potential strategic collaboration with third parties to accelerate development of certain assets. In addition, we may decide to further prioritize development of certain programs and certain indications. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Failure to properly assess potential product candidates could result in our focus on product candidates with low market potential, which would harm our business, financial condition, results of operations and prospects. Our spending on current and future research and development programs and product candidates for specific targets or indications may not yield any commercially viable products. Our understanding and evaluation of biological targets for the discovery and development of new CAB product candidates may fail to identify challenges encountered in subsequent preclinical and clinical development. If we do not accurately evaluate the likelihood of clinical trial success, commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights.

If the market opportunities for any product that we develop are smaller than we believe they are, our revenue may be adversely affected and our business may suffer.

We focus our product candidate development on therapeutic CAB antibodies for the treatment of various oncology indications, such as sarcoma, NSCLC, melanoma, colorectal carcinoma, and head and neck cancer among others. Our projections of addressable patient populations that may benefit from treatment with our product candidates are based on our estimates. These estimates, which have been derived from a variety of sources, including scientific literature, surveys of clinics, physician interviews, patient foundations and market research, may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these cancers. Additionally, the potentially addressable patient population for our product candidates may not ultimately be amenable to treatment with our product candidates. Our market opportunity may also be limited by future competitor treatments that enter the market. If any of our estimates prove to be inaccurate, the market opportunity for any product candidate that we or our strategic partners develop could be significantly diminished and have an adverse material impact on our business.

The market may not be receptive to our product candidates because they are based on our novel therapeutic modality, and we may not generate any future revenue from the sale or licensing of product candidates.

The product candidates that we are developing are primarily based on our patented CAB technology platform, which uses new technologies to create our novel therapeutic approach. Market participants with significant influence over acceptance of new treatments, such as physicians and third-party payors, may not adopt a product or treatment based on our patented technology platform, and we may not be able to convince patients, the medical community and third-party payors to accept and use, or to provide favorable reimbursement for, any product candidates developed by us or our existing or future collaborators. Market acceptance of our product candidates will depend on, among other factors:

- the timing of our receipt of any marketing and commercialization approvals;
- the terms of any approvals and the countries in which approvals are obtained;
- the safety and efficacy of our product candidates;
- the prevalence and severity of any adverse side effects associated with our product candidates;
- limitations or warnings contained in any labeling approved by the FDA, EMA or comparable foreign regulatory authorities;
- the willingness of patients to obtain new biopsies or consent to provide existing tumor tissue specimens;
- relative convenience and ease of administration of our product candidates;
- the willingness of patients to accept any new methods of administration;
- the success of any physician education programs;
- the availability of adequate government and third-party payor reimbursement;
- the pricing of our products, particularly as compared to alternative treatments; and
- availability of alternative effective treatments for the disease indications our product candidates are intended to treat and the relative risks, benefits and costs of those treatments.

If any product candidate we commercialize fails to achieve market acceptance, it could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Preliminary, preplanned interim and topline data from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data.

From time to time, we may publicly disclose preliminary, preplanned interim or topline data from our clinical trials. These data and related findings and conclusions may only reflect certain endpoints rather than all endpoints and are subject to change. For example, we may report tumor responses in certain patients that are unconfirmed at the time and which do not ultimately result in confirmed responses to treatment after follow-up evaluations. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the preliminary results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Topline data remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, topline data should be viewed with caution until the final data are available. In addition, we may report preplanned interim analyses of the clinical trials we may complete, which are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse changes between interim data and final data could significantly harm our business and prospects. Further, additional disclosure of interim data by us or by our competitors in the future could result in volatility in the price of our common stock.

In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is typically selected from a more extensive amount of available information. You or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. If the preliminary preplanned interim or topline data that we report differ from later, final or actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize our product candidates may be harmed, which could harm our business, financial condition, results of operations and prospects.

Delays in the commencement and completion of clinical trials could increase costs and delay or prevent regulatory approval and commercialization of our product candidates.

We cannot guarantee that clinical trials of our product candidates will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of the clinical trial process, and other events may cause us to temporarily or permanently stop a clinical trial. Events that may prevent successful or timely commencement and completion of clinical development include:

- negative preclinical data;

- delays in receiving the required regulatory clearance from the appropriate regulatory authorities to commence clinical trials or amend clinical trial protocols, including any objections to our INDs or protocol amendments from the FDA;
- delays in reaching, or a failure to reach, a consensus with regulatory authorities on study design;
- delays in reaching, or failure to reach, agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- difficulties in obtaining IRB approval at each site;
- challenges in recruiting suitable patients to participate in a trial;
- the inability to enroll a sufficient number of patients in clinical trials to ensure adequate statistical power to detect statistically significant treatment effects;
- difficulties in having patients complete a trial or return for post-treatment follow-up;
- our CROs or clinical trial sites failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, deviating from the protocol or dropping out of a clinical trial;
- unforeseen safety issues, including occurrence of TEAEs associated with the product candidate that are viewed to outweigh the product candidate's potential benefits or to expose participants in clinical trials to an unreasonable and significant risk of illness or injury;
- difficulties in adding new clinical trial sites;
- ambiguous or negative interim results;
- lack of adequate funding to continue the clinical trial;
- difficulties in manufacturing sufficient quantities of product candidate acceptable for use in clinical trials in a timely manner, or at all; or
- health epidemics and outbreaks, which in the past has resulted in, and in the future may result in, delays to patient enrollment, patients discontinuing their treatment or follow up visits or changes to trial protocols.

We could encounter delays if a clinical trial is suspended or terminated by us, by the IRBs of the institutions in which such trials are being conducted, by a Data Safety Monitoring Board ("DSMB"), for such trial or by the FDA or comparable foreign regulatory authorities. Such authorities may impose such a suspension or termination, including by the imposition of a clinical hold, due to several factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or comparable foreign regulatory authorities, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. If we experience delays in the completion of, or termination of, any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed or lost. In addition, any delays in completing our clinical trials will increase our costs, slow down our product candidate development and approval process and jeopardize our ability to commence product sales and generate revenues. Any of these occurrences may harm our business, financial condition, results of operations and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

In addition, data obtained from trials and studies are susceptible to varying interpretations, and regulators may not interpret our data as favorably as we do, which may delay, limit or prevent regulatory approval. Our clinical trial results may not be successful, or even if successful, may not lead to regulatory approval.

Enrollment and retention of patients in clinical trials is an expensive and time-consuming process and could be made more difficult or rendered impossible by multiple factors outside our control.

We may encounter delays or difficulties in enrolling, or be unable to enroll, a sufficient number of patients to complete any of our clinical trials on our current timelines, or at all, and even once enrolled, we may be unable to retain a sufficient number of patients to complete any of our trials. Enrollment in our clinical trials may be slower than we anticipate, leading to delays in our development timelines.

Patient enrollment and retention in clinical trials depends on many factors, including the size and nature of the patient population, the nature of the trial protocol, our ability to recruit clinical trial investigators with the appropriate competencies and experience, delays in enrollment due to travel or quarantine policies, or other factors related to health epidemics or pandemics, the existing body of safety and efficacy data with respect to the study drug, the number and nature of competing treatments and ongoing

clinical trials of competing drugs for the same indication, the proximity of patients to clinical sites, the eligibility criteria for the trial and the proportion of patients screened that meets those criteria, including criteria related to biomarkers, our ability to obtain and maintain patient consents, including any additional consents necessary for enrollment of adolescent patients, and our ability to successfully complete prerequisite studies before enrolling certain patient populations. Furthermore, any negative results or new safety signals we may report in clinical trials of our product candidates may make it difficult or impossible to recruit and retain patients in other clinical trials we are conducting. Similarly, results reported by our competitors about their drug candidates may negatively affect patient recruitment in our clinical trials. Also, marketing authorization of competitors in this same class of drugs may impair our ability to enroll patients into our clinical trials, delaying or potentially preventing us from completing recruitment of one or more of our trials.

Delays or failures in planned patient enrollment or retention may result in increased costs, program delays or both, which could have a harmful effect on our ability to develop our product candidates or could render further development impossible. In addition, we rely on clinical trial sites to ensure timely conduct of our clinical trials and, while we have entered into agreements governing their services, we are limited in our ability to compel their actual performance.

Our product candidates may cause undesirable and unforeseen side effects or have other properties impacting safety that could halt their clinical development, delay or prevent their regulatory approval, limit their commercial potential or result in significant negative consequences.

Undesirable side effects caused by our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, EMA or comparable foreign regulatory authorities and potential product liability claims. Such side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial. Many compounds developed in the biopharmaceutical industry that initially showed promise in early-stage testing for treating cancer have later been found to cause side effects that prevented their further development. Any of these occurrences may materially and adversely affect our business, financial condition, results of operations and prospects.

In our clinical trials for our antibody-drug conjugates mecbotamab vedotin and ozuriftamab vedotin, we have observed adverse events such as reversible myelosuppression, transient liver enzyme elevations, pyrexia, or fever, metabolic disturbances and peripheral neuropathy. In our clinical trial for evalstotug, we have observed infusion-related reactions, cytokine release syndrome, and immune-related adverse events. In our clinical trial of BA3182, we have observed adverse events, such as cytokine release syndrome, diarrhea, and transient elevations in liver enzymes and bilirubin, and colitis, including a grade 2 colitis where the patient subsequently withdrew from the study and transferred into hospice and ultimately died, with the death being attributed to colitis. We may also observe undesirable side effects in clinical trials for our other product candidates.

For our current and future clinical trials, we have contracted with and expect to continue to contract with CROs experienced in the assessment and management of toxicities arising during clinical trials. Nonetheless, they may have difficulty observing patients and treating toxicities, which may be more challenging due to personnel changes, shift changes, house staff coverage or related issues. This could lead to more severe or prolonged toxicities or even patient deaths, which could result in us or the FDA, EMA or comparable foreign regulatory authorities delaying, suspending or terminating one or more of our clinical trials and which could jeopardize regulatory approval.

Further, clinical trials by their nature test product candidates in only samples of the potential patient populations. With a limited number of patients and limited duration of exposure in such trials, rare and severe side effects of our product candidates may not be uncovered until a significantly larger number of patients are exposed to the product candidate. For example, while we believe that mecbotamab vedotin, ozuriftamab vedotin, evalstotug, and BA3182 have demonstrated manageable tolerability profiles when delivered at optimized doses thus far, we cannot assure you that these and our other product candidates will not cause more severe side effects in a greater proportion of patients or when delivered at higher doses.

In addition, mecbotamab vedotin, ozuriftamab vedotin, and evalstotug have been studied in combination with other therapies, which may exacerbate adverse events associated with the therapy. Patients treated with these or our other product candidates may have recently received surgical, radiation or chemotherapy treatments, which can cause side effects or adverse events that are unrelated to our product candidate but may still impact the success of our clinical trials.

The inclusion of critically ill patients in our clinical trials may result in deaths or other adverse medical events due to other therapies or medications that such patients may be using or due to the gravity of such patients' illnesses. For example, some of the late-stage patients enrolled in the clinical trials may die or experience major clinical events either during the course of our clinical trials or after participating in such trials due mainly to the gravity of their illness, which has occurred in the past.

In the event that any of our product candidates receive regulatory approval, and we or others later identify undesirable and unforeseen side effects caused by such product, negative consequences, including any of the following, could occur:

- regulatory authorities may suspend, limit or withdraw their approval of such product, or seek an injunction against its manufacture or distribution;
- we may be required to conduct additional clinical trials or post-approval studies;
- we may be requested or required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;
- regulatory authorities may require the addition of labeling statements, such as a boxed warning or a contraindication, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we may be required to implement a Risk Evaluation and Mitigation Strategy ("REMS") and/or create a Medication Guide outlining the risks of such side effects for distribution to patients, a communication plan for healthcare providers and/or other elements to assure safe use;
- we could be sued and held liable for harm caused to patients;
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- the product may become less competitive; and
- our reputation may suffer.

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

We are developing certain of our product candidates in combination with other therapies, and regulatory approval, safety or supply issues with these other therapies may delay or prevent the development and approval of our product candidates.

We have investigated the use of each of mecbotamab vedotin, ozuriftamab vedotin, and evalstotug in combination with an anti-PD-1 antibody. In the future, we may explore the use of these or our other product candidates in combination with other therapies. If we choose to develop a product candidate for use in combination with an approved therapy, we are subject to the risk that the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions could revoke approval of, or that safety, efficacy, manufacturing or supply issues could arise with, the therapy used in combination with our product candidate. If the therapies we use in combination with our product candidates are replaced as the standard of care, the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our product candidates, if approved, being removed from the market or being less successful commercially.

Where we develop a product candidate for use in combination with a therapy that has not been approved by the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions, we will not be able to market our product candidate for use in combination with such an unapproved therapy, unless and until the unapproved therapy receives regulatory approval. In addition, other companies may also develop their products or product candidates in combination with the unapproved therapies with which we are developing our product candidates for use in combination. Any setbacks in these companies' clinical trials, including the emergence of serious adverse effects, may delay or prevent the development and approval of our product candidates.

If the FDA, EMA or comparable foreign regulatory authorities in other jurisdictions do not approve or revoke their approval of, or if safety, efficacy, manufacturing, or supply issues arise with, therapies we choose to evaluate in combination with any of our product candidates, we may be unable to obtain regulatory approval of or to commercialize such product candidates in combination with these therapies.

If safe and effective use of any of our product candidates, such as mecbotamab vedotin and ozuriftamab vedotin, depends on a companion diagnostic test, then the FDA generally will require approval or clearance of that companion diagnostic before or at the same time that the FDA approves our product candidates, if at all. If we are unable to successfully develop companion diagnostic tests for our product candidates, experience significant delays in doing so, rely on third parties in the development of such companion diagnostic tests, or do not obtain or face delays in obtaining FDA approval of a companion diagnostic test, the full commercial potential of our product candidates and our ability to generate revenue will be materially impaired.

If use of a companion diagnostic test is determined to be essential for the safe and effective use of any of our product candidates, such as mecbotamab vedotin and ozuriftamab vedotin, then the FDA generally will require approval, authorization, or clearance of

that companion diagnostic before or at the same time that the FDA approves our product candidates, if at all. The FDA has generally required in vitro companion diagnostics intended to select the patients who will respond to cancer treatment to obtain a PMA for that diagnostic simultaneously with approval of the therapeutic. The process of obtaining or creating such diagnostic and obtaining a PMA is time-consuming and costly and a delay in diagnostic approval could delay drug approval.

In 2024, CDRH announced that it intended to reclassify most high-risk in vitro diagnostic products from Class III to Class II medical devices and stated that it expected most future companion diagnostics would be regulated as Class II devices. Reclassification would allow companion diagnostic developers to seek marketing authorization through the FDA's 510(k) or de novo classification pathways rather than the more costly and time-consuming PMA pathway. Since that time, CDRH has taken steps to begin the reclassification process for certain companion diagnostic products, such as in situ hybridization test systems and nucleic acid-based test systems intended for use with a corresponding approved oncology therapeutic product. However, these proposed reclassifications are not yet final and commercializing any such tests requires PMA approval until the reclassification is final. While the 510(k) and de novo submission processes are less burdensome than the PMA process, there is no guarantee that the diagnostics test that would be used with our product candidates will be reclassified or that they would obtain marketing authorization through either process more quickly than through the PMA process.

According to FDA guidance, if the FDA determines that a companion diagnostic device is essential to the safe and effective use of a novel therapeutic product or indication, the FDA generally will not approve the therapeutic product or new therapeutic product indication if the companion diagnostic is not also approved, authorized, or cleared for that indication. If a satisfactory companion diagnostic is not commercially available, we may be required to create or obtain one that would be subject to regulatory approval requirements. For example, we have in the past explored predictive biomarkers, such as the Tumor Membrane Percent Score ("TmPS"), which measures AXL and ROR2 expression levels on the tumor membrane, to help inform which patients may be most suitable for treatment with mecbotamab vedotin and ozuriftamab vedotin. Currently, patients with negative or only 1% TmPS scores appear to have experienced clinical benefit in our ongoing clinical trials. However, if the AXL and/or ROR2 TmPS scores predict those most likely to experience clinical benefit, we may be required to pursue the further use of a companion diagnostic in our mecbotamab vedotin or ozuriftamab vedotin clinical trials, and the available market for mecbotamab vedotin or ozuriftamab vedotin, both in patient numbers and patient acceptance of the protocol, could be limited. In addition, we expect to rely on third parties for the design, development and manufacture of companion diagnostic tests for any of our product candidates that require such tests.

On April 13, 2020, the FDA issued new guidance on developing and labeling companion diagnostics for a specific group of oncology therapeutic products, including recommendations to support a broader labeling claim rather than individual therapeutic products. We will continue to evaluate the impact of this guidance on our companion diagnostic development and strategy. This guidance and future policies from the FDA and other regulatory authorities may impact our development of a companion diagnostic for our product candidates and result in delays in regulatory approval. We may be required to conduct additional studies to support a broader claim. Also, to the extent other approved diagnostics are able to broaden their labeling claims to include our approved drug products, we may be forced to abandon our companion diagnostic development plans or we may not be able to compete effectively upon approval, which could adversely impact our ability to generate revenue from the sale of our approved products and adversely affect our business, financial condition, results of operations and prospects.

If the FDA, EMA or a comparable foreign regulatory authority requires approval of a companion diagnostic for any of our product candidates, whether before or after it obtains marketing approval, we, and/or future collaborators, may encounter difficulties in developing and obtaining approval for such product candidate. If we or our third-party collaborators experience any delay in developing or obtaining regulatory approval of a companion diagnostic, we may be unable to enroll enough patients for our current and planned clinical trials, the development of our product candidates may be adversely affected or we may not obtain marketing approval, and we may not realize the full commercial potential of our product candidates, including mecbotamab vedotin and ozuriftamab vedotin.

We face competition from entities that have developed or may develop product candidates for cancer, including companies developing novel treatments and technology platforms. If these companies develop technologies or product candidates more rapidly than we do or their technologies are more effective, our ability to develop and successfully commercialize product candidates may be adversely affected.

The development and commercialization of drugs and therapeutic biologics is highly competitive. We compete with a variety of multinational biopharmaceutical companies and specialized biotechnology companies, as well as technology being developed at universities and other research institutions. Our competitors have developed, are developing and will develop product candidates and processes competitive with our product candidates. We believe that a significant number of products are currently under development, and may become commercially available in the future, for the treatment of conditions for which we are developing product candidates. We believe that while our patented CAB technology platform, its associated intellectual property and our scientific and technical know-how give us a competitive advantage in this space, competition from many sources remains. Our success will partially depend on our ability to develop and protect therapeutics that are perceived to be safer and more effective than competing products. Our

commercial opportunity and success will be reduced or eliminated if competing products are perceived to be safer, more effective or less expensive than the therapeutics we develop.

Although we do not believe competing companies have selective CAB technology, there is a wide array of activity in several areas of immune-based cellular therapies for oncology including CAR-T and T-cell receptor therapies. Certain companies are also pursuing antibody therapies in immuno-oncology, ADCs and various prodrug biologic products designed to be preferentially activated at tumor sites. There are several FDA approved ADC products and several companies in various stages of clinical development of ADCs mostly directed at oncology indications, a key feature of our product candidates mecbotamab vedotin and ozuriftamab vedotin. There are also companies developing technologies designed to deliver biologics and chemotherapeutic agents with some targeting capabilities. In addition, if any of our product candidates are approved in oncology indications, they may compete with existing biologics and small molecule therapies, or may be used in combination with existing therapies. There are also many other therapies under development that are intended to treat the same cancers that we are targeting or may target with our CAB platform, including through approaches that could prove to be more effective, have fewer side effects, be cheaper to manufacture, be more convenient to administer or have other advantages over any products resulting from our technologies.

Many of our competitors, either alone or with strategic partners, have significantly greater financial, technical, manufacturing, marketing, sales and supply resources or experience than we do. Accordingly, our competitors may be more successful than us in obtaining approval for treatments and achieving widespread market acceptance, rendering our treatments obsolete or non-competitive. Accelerated merger and acquisition activity in the biotechnology and biopharmaceutical industries may result in even more resources being concentrated among a smaller number of our competitors. These companies also compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials and acquiring technologies complementary to, or necessary for, our programs. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. The level of generic competition and the availability of reimbursement from government and other third-party payors will also significantly affect the pricing and competitiveness of our products. In addition, our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

There are also requirements governing the reporting of ongoing clinical trials and completed clinical trial results to public registries. Sponsors of clinical trials of FDA-regulated products, including biologics, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed in certain circumstances for up to two years after the date of completion of the trial. Competitors may use this publicly available information to gain knowledge regarding the progress of development of our programs.

Our commercial opportunity could be substantially limited in the event that our competitors develop and commercialize products that are perceived to be more effective, safer, less toxic or more convenient than products we may develop. In geographies that are critical to our commercial success, competitors may also obtain regulatory approvals before us, resulting in our competitors building a strong market position in advance of our products' entry. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

Our biologic product candidates for which we intend to seek approval may face competition through an abbreviated pathway.

The Biologics Price Competition and Innovation Act of 2009 (the "BPCIA"), enacted as part of the Affordable Care Act (the "ACA"), created an abbreviated approval pathway for biological products that are biosimilar to or interchangeable with an FDA-licensed reference biological product. Under the BPCIA, an application for a biosimilar product referencing an exclusivity-protected product may not be submitted to the FDA until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product referencing an exclusivity-protected biological product may not be made effective by the FDA until 12 years from the date on which the reference product was first licensed. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full Biologics License Application ("BLA") for the competing product containing the sponsor's own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product. The law is complex and is still being interpreted and implemented by the FDA. As a result, its ultimate impact, implementation, and meaning are subject to uncertainty. While it is uncertain when such processes intended to implement BPCIA may be fully adopted by the FDA, any such processes could have an adverse effect on the future commercial prospects for our product candidates.

There is a risk that any product candidates we may develop that are approved by FDA as a biological product under a BLA would not qualify for the 12-year period of exclusivity or that this exclusivity could be shortened due to congressional action or otherwise, potentially creating the opportunity for generic competition sooner than anticipated.

Our business entails a significant risk of product liability, and if we are unable to obtain sufficient insurance coverage, such failure could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We expect to be exposed to significant product liability risks inherent in the development, testing and manufacturing of our product candidates and products, if approved. Product liability claims could delay or prevent completion of our development programs. If we succeed in marketing products, such claims could result in an FDA investigation of the safety and effectiveness of our products, our third-party manufacturer's manufacturing processes and facilities or our marketing programs and potentially a recall of our products or more serious enforcement action, including limitations on the approved indications for which our product candidates may be used or suspension or withdrawal of approvals. Regardless of the merits or eventual outcome, liability claims may also result in decreased demand for our products, injury to our reputation, costs to defend the related litigation, a diversion of management's time and our resources, substantial monetary awards to trial participants or patients and a decline in our stock price. We currently have product liability insurance that we believe is appropriate for our stage of development and may need to obtain higher levels prior to marketing any of our product candidates. Any insurance we have or may obtain may not provide sufficient coverage against potential liabilities. In addition, we may be subject to liability based on the actions of our existing or future collaborators in connection with their development of products using our CAB technology. Furthermore, clinical trial and product liability insurance is becoming increasingly expensive. As a result, we may be unable to maintain sufficient insurance at a reasonable cost to protect us against losses caused by product liability claims that could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Risks related to regulatory approval, other legal compliance matters and taxation

We are currently not in compliance with Nasdaq's continued listing requirements. If we are unable to comply with Nasdaq's continued listing requirements, our common stock could be delisted, which could affect the price of our common stock and liquidity and reduce our ability to raise capital.

Our common stock is currently listed on The Nasdaq Capital Market. The Nasdaq Capital Market has established certain quantitative criteria and qualitative standards that companies must meet to remain listed for trading on this market.

On August 6, 2025, the Listing Qualifications Staff (the "Staff") of Nasdaq issued a delist determination to the Company, indicating that the Company did not satisfy Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Price Requirement") and Nasdaq Listing Rule 5450(b)(1)(A) (the "Minimum Stockholders' Equity Requirement") (or the alternative standards of $50 million in market value of listed securities ("MVLS") or $50 million in total assets and $50 million in total revenue). The Company requested a hearing (the "Hearing") before the Nasdaq Hearing Panel (the "Panel"), at which the Company presented its plan to evidence compliance with all applicable criteria for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550, including the Minimum Bid Price Requirement and the Minimum Stockholders' Equity Requirement, the alternatives to which are $35 million in MVLS (the "MVLS Rule") or $500,000 in net income (and, together, the "Equity/MVLS Rule"). On September 16, 2025, the Panel granted the Company's request for continued listing (the "Panel Decision"), subject to the Company's timely submission of an application to transfer its listing to The Nasdaq Capital Market, and the Company's compliance with the Equity/MVLS Rule and the Minimum Bid Price Requirement by December 31, 2025 and February 2, 2026, respectively.

Beginning September 24, 2025, through the close of business on December 31, 2025 (the deadline for compliance with the Minimum Stockholders' Equity Requirement as set forth in the Panel Decision), the Company evidenced a minimum $35 million MVLS for 69 consecutive trading days, ranging from a low MVLS of $36.03 million to a high MVLS of $71.73 million. Having evidenced compliance with the MVLS Rule for 57 consecutive business days as of December 18, 2025, on December 19, 2025, the Company requested that Nasdaq issue a determination that the Company had regained compliance with the MVLS Rule as an alternative to the Equity Rule.

On January 13, 2026, Nasdaq denied the Company's request for a compliance determination given that the Company no longer satisfied the MVLS Rule (or the alternative Equity Rule) as of that date. Nasdaq provided the Company with the opportunity to update its plan to evidence compliance with either the Equity/MVLS Rule, which update the Company submitted on January 20, 2026. Nasdaq notified the Company on January 27, 2026, that the Panel had granted the Company an extension through February 2, 2026 to evidence compliance with all applicable criteria for continued listing on The Nasdaq Capital Market.

On February 6, 2026, the Company received notice that Nasdaq had determined to suspend trading in the Company's securities effective February 10, 2026 (the "Delist Determination"), based upon (i) the Company's non-compliance with the Minimum Bid Price Requirement and (ii) the Company's failure to demonstrate compliance with the Minimum Stockholders' Equity Requirement, the latter notwithstanding the Company's prior compliance with the alternative threshold of $35 million in MVLS under the MVLS Rule for 69 consecutive trading days. Immediately upon receipt of the Delist Determination, and in accordance with Nasdaq Listing Rule 5820(b), the Company submitted a request to the Nasdaq Listing and Hearing Review Council (the "Listing Council") that the Listing Council call for immediate review of the Delist Determination and stay any suspension or delisting action pending completion of the Listing Council's review. The Company was notified on February 8, 2026 that the Listing Council had determined to call for review

the Delist Determination. In rendering its decision, the Listing Council also determined to stay any suspension and delisting action pending the outcome of the Listing Council's review. Accordingly, the Company's common stock continues to trade on Nasdaq during the Listing Council review process. The review process is currently ongoing, and it is the Company's understanding that the review process may take several weeks to a few months to complete.

The Company can provide no assurance that the Listing Council's review will result in the continued listing of the Company's common stock on Nasdaq after the outcome of such review. Any delisting of our common stock could adversely affect the market liquidity of our common stock, and the market price of our common stock could decrease. In addition, delisting of our common stock could result in the loss of confidence by investors and adversely affect our ability to raise capital on terms acceptable to us, or at all, and would also make it more difficult for our stockholders to sell or purchase our common stock when they wish to do so. If trading in the Company's common stock is ultimately suspended or delisted from Nasdaq, the Company should be eligible to trade on the OTC Markets system, which may have a material adverse effect on the trading price and volume for the common Stock, and the Company's stockholders may find it more difficult to sell their shares.

The Share Consolidation may not be sufficient to regain or maintain compliance with the Minimum Bid Price Requirement, and the re-pricing mechanism contained in the Warrants will substantially limit the proceeds we receive from the exercise of such Warrants following the Share Consolidation.

As previously disclosed, the purpose of the Share Consolidation that we effected on April 6, 2026 is to help regain compliance with the Minimum Bid Price Requirement for continued listing on The Nasdaq Capital Market, as well as to increase the trading price of our common stock to enhance overall liquidity of the common stock by attracting new investors. While we have been in compliance with the Minimum Bid Price Requirement since April 6, 2026, Nasdaq will not deem us back into compliance with the Minimum Bid Price Requirement while the Listing Council review is still pending. There is no assurance that the Listing Council review will result in the continued listing of the Company's common stock on Nasdaq. The effect of the Share Consolidation on the market price of our common stock cannot be predicted with any certainty, and we cannot assure you that the Share Consolidation will accomplish these objectives for any meaningful period of time, or at all. We cannot assure you that the Share Consolidation will result in any permanent or sustained increase in the market price of our common stock. The market price of our common stock may be affected by other factors which may be unrelated to the number of shares outstanding, including our business and financial performance, general market conditions and prospects for future success.

In addition, the Share Consolidation effected a reduction in the number of shares of our common stock issuable upon the exercise of the Warrants exercisable for shares of common stock in proportion to the Share Consolidation ratio. Pursuant to the re-pricing mechanism contained in the Warrants, the exercise price of the Warrants was reduced to $4.35 to match the lowest VWAP of our common stock during the eleven (11) trading days commencing five (5) trading days immediately preceding the Share Consolidation and ending five (5) trading days immediately following the Share Consolidation. Because the re-pricing mechanism was triggered, our ability to receive significant proceeds from the exercise of the outstanding warrants will be substantially limited.

We may be unable to obtain U.S. or foreign regulatory approval and, as a result, unable to commercialize our product candidates.

Our product candidates are subject to extensive governmental regulations relating to, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs and therapeutic biologics. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the United States and in many foreign jurisdictions before a new drug or therapeutic biologic can be marketed. Satisfaction of these and other regulatory requirements is costly, lengthy, time-consuming, uncertain and subject to unanticipated delays. We have not previously submitted a BLA to the FDA, or similar drug approval filings to comparable foreign regulatory authorities, for any product candidate, and it is possible that none of the product candidates we may develop will obtain the regulatory approvals necessary for us or our existing or future collaborators to begin selling them.

We have not completed any large-scale or pivotal clinical trials nor managed the regulatory approval process with the FDA or any other comparable foreign regulatory authority. The time required to obtain FDA and other approvals is unpredictable but typically takes many years following the commencement of clinical trials, depending upon the type, complexity and novelty of the product candidate, and numerous other factors including the substantial discretion of regulatory authorities. The standards that the FDA and its foreign counterparts, including the EMA, use when regulating us and our existing or future collaborators require judgment and can change, which makes it difficult to predict with certainty how they will be applied. Any analysis we perform of data from preclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to new government regulations, for example, from future legislation or administrative action, or from changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. It is impossible to predict whether legislative changes will be enacted, or whether FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of such changes, if any, may be. For example, the Oncology Center of Excellence within the FDA has advanced Project Optimus, which is an initiative to reform the dose optimization

and dose selection paradigm in oncology drug development to emphasize selection of an optimal dose, which is a dose or doses that maximizes not only the efficacy of a drug but the safety and tolerability as well. This shift from the prior approach, which generally determined the maximum tolerated dose, may require sponsors to spend additional time and resources to further explore a product candidate's dose-response relationship to facilitate optimum dose selection in a target population. Other Oncology Center of Excellence initiatives have included Project FrontRunner, an initiative with a goal of developing a framework for identifying candidate drugs for initial clinical development in the earlier advanced setting rather than for treatment of patients who have received numerous prior lines of therapies or have exhausted available treatment options. We are considering these and other policy changes as they relate to our programs.

In addition, our product candidates could fail to receive regulatory approval for many reasons including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe, pure and potent for its proposed indication;
- the results of clinical trials may fail to achieve the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- we may be unable to demonstrate that the dose for the product candidate has been optimized;
- we may be unable to demonstrate a sufficient response rate or duration of response for a product candidate;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data submitted in support of regulatory approval;
- the data collected from preclinical studies and clinical trials of our product candidates may not be sufficient to support the submission of a BLA or other regulatory submission necessary to obtain regulatory approval in the United States or elsewhere; and
- we or our contractors may not meet the current Good Manufacturing Practices ("cGMPs") and other applicable requirements for manufacturing processes, procedures, documentation and facilities necessary for approval by the FDA or comparable foreign regulatory authorities.

Any delay or failure in obtaining required approvals could have a material and adverse effect on our ability to generate revenues from the particular product candidate for which we are seeking approval. Furthermore, any regulatory approval to market a drug may be subject to significant limitations on the approved uses or indications for which we may market the drug or the labeling or other restrictions. In addition, the FDA has the authority to require a REMS as part of approving a BLA, or after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug. These requirements or restrictions might include limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may significantly limit the size of the market for the drug and affect reimbursement by third-party payors.

We are also subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries and may include all of the risks associated with FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval. Approval by the FDA does not ensure approval by regulatory authorities outside the United States and vice versa. From time to time during the development and regulatory approval process for our therapeutic candidates, we engage in discussions with the FDA and other regulatory authorities regarding our development programs, including discussions about the regulatory requirements for approval. Sometimes different regulatory authorities provide different or conflicting advice. While we attempt to harmonize the advice we receive from multiple regulatory authorities, it is not always practical to do so. Also, we may choose not to harmonize conflicting advice when harmonization would significantly delay clinical trial data or when we believe it is otherwise inappropriate. In addition, regulatory authorities may change their views on aspects of the clinical programs, including study designs, or the ability of the studies as designed to support approval of a product. If we are unable to effectively and efficiently resolve and comply with the inquiries and requests of the FDA and other regulatory authorities, the approval of our therapeutic candidates may be delayed, and their value may be reduced.

We intend to seek approval from the FDA or comparable foreign regulatory authorities through the use of accelerated approval pathways, if available. If we are unable to obtain such approval, we may be required to conduct additional preclinical studies or clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals. Even if we receive accelerated approval from the FDA, if our confirmatory trials do not verify clinical benefit or if we do not comply with rigorous post-marketing requirements, the FDA may seek to withdraw accelerated approval.

We intend to seek accelerated approval for one or more of our product candidates. Under the accelerated approval program, the FDA may grant accelerated approval to a product candidate designed to treat a serious or life-threatening condition that addresses an unmet medical need upon a determination that the product candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage but is a clinically important improvement from a patient and public health perspective. We intend to seek accelerated approval for some of our product candidates on the basis of objective response rate, a surrogate endpoint that we believe is reasonably likely to predict clinical benefit. For products granted accelerated approval, sponsors are required to verify and describe the product's clinical benefit generally in the form of confirmatory trials. These confirmatory trials must be completed with due diligence, and the FDA may require that the trial be designed, initiated, and/or fully enrolled prior to approval. If we were to pursue accelerated approval for a product candidate for a disease or condition, we would likely do so on the basis that there is no available therapy for that disease or condition. If any of our competitors were to receive full approval on the basis of a confirmatory trial for a drug for a disease or condition for which we are seeking accelerated approval before we receive accelerated approval, the disease or condition would no longer qualify as one for which there is no available therapy, and accelerated approval of our product candidate would not occur, unless we were able to demonstrate that our product candidate addresses an unmet medical need. Many cancer therapies rely on accelerated approval, and the treatment landscape can change quickly as the FDA converts accelerated approvals to full approvals on the basis of successful confirmatory trials. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, would allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Prior to seeking accelerated approval for any of our product candidates, we intend to seek feedback from the FDA and will otherwise evaluate our ability to seek and receive accelerated approval. For example, we received feedback from the FDA in November 2025 on the design of our planned Phase 3 trial of ozuriftamab vedotin for the treatment of oropharyngeal squamous cell carcinoma to support potential accelerated approval. We cannot assure you that after our evaluation of the feedback and other factors we will decide to pursue or submit a BLA for accelerated approval or any other form of expedited development, review or approval. Similarly, we cannot assure you that after subsequent FDA feedback we will continue to pursue accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to submit an application for accelerated approval or receive an expedited regulatory designation (e.g., breakthrough therapy designation) for our product candidates, we cannot assure you that such application will be accepted or that any expedited development, review or approval will be granted on a timely basis, or at all. The FDA or other comparable foreign regulatory authorities could also require us to conduct further studies prior to considering our application or granting approval of any type.

Recently, the accelerated approval pathway has come under scrutiny within the FDA and by Congress. The FDA has put increased focus on ensuring that confirmatory studies are conducted with diligence and, ultimately, that such studies confirm the anticipated clinical benefit. For example, the FDA has convened its Oncologic Drugs Advisory Committee to review what the FDA has called dangling or delinquent accelerated approvals where confirmatory studies have not been completed or where results did not confirm benefit.

The FDA is authorized to require a post-approval study to be underway prior to approval or within a specified time period following approval. The FDA must also specify conditions of any required post-approval study, which may include milestones such as a target date of study completion. Sponsors must submit progress reports for required post-approval studies and any conditions required by the FDA not later than 180 days following approval and not less frequently than every 180 days thereafter until completion or termination of the study. The FDA can initiate an enforcement action for the failure to conduct with due diligence a required post-approval study, including a failure to meet any required conditions specified by the FDA or to submit timely reports. In addition, the Oncology Center of Excellence has announced Project Confirm, which is an initiative to promote the transparency of outcomes related to accelerated approvals for oncology indications and provide a framework to foster discussion, research and innovation in approval and post-marketing processes, with the goal to enhance the balance of access and verification of benefit for therapies available to patients with cancer and hematologic malignancies.

We may seek Fast Track designation for one or more of our product candidates but we might not receive such designation and, even if granted, such designation may not lead to a faster development or regulatory review or approval process and does not increase the likelihood that our product candidates will receive regulatory approval.

In July 2024, the FDA granted Fast Track designation for ozuriftamab vedotin in recurrent or metastatic SCCHN, and we may seek Fast Track designation in the future for other product candidates. If a drug is intended for the treatment of a serious or life-threatening disease and the drug demonstrates the potential to address unmet medical needs for this disease, the drug may qualify for Fast Track designation. The FDA has broad discretion whether or not to grant this designation. Even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if product candidates do receive Fast Track designation, as ozuriftamab vedotin has in recurrent or metastatic SCCHN, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw Fast Track designation if it believes that the designation is no longer supported by data from its clinical development programs. Many drugs that have received Fast Track designation have failed to obtain approval, and there can be no assurance that such Fast Track designation would lead to a faster development or regulatory review or approval process, or increase the likelihood of receiving regulatory approval.

If we decide to seek Orphan Drug Designation for some of our product candidates, we may be unsuccessful or may be unable to maintain the benefits associated with Orphan Drug Designation, including the potential for orphan drug exclusivity.

As part of our business strategy, we may seek Orphan Drug Designation for our product candidates, and we may be unsuccessful. Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs and therapeutic biologics for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug or therapeutic biologic as an orphan drug if it is a drug or therapeutic biologic intended to treat a rare disease or condition, which is defined as a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug or therapeutic biologic will be recovered from sales in the United States. In the United States, Orphan Drug Designation entitles a party to financial incentives such as tax advantages and user fee waivers. In addition, if a product that has Orphan Drug Designation subsequently receives the first FDA approval of the drug to treat the disease for which it has such designation, the product is entitled to orphan drug exclusivity, which means that the FDA may not approve any other applications, including a full BLA, to market the same product for the same condition for seven years, except in limited circumstances, such as a showing of clinical superiority to the product with orphan drug exclusivity or where the manufacturer is unable to assure sufficient product quantity.

Even if we obtain Orphan Drug Designation for our product candidates in specific conditions, we may not be the first to obtain marketing approval of these product candidates for the orphan-designated condition due to the uncertainties associated with developing pharmaceutical products; in such case, no orphan drug exclusivity would be available unless we could demonstrate "clinical superiority." In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated condition or may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs or therapeutic biologics with different principal molecular structural features can be approved for the same condition. Even after an orphan product is approved, the FDA can subsequently approve the same drug or therapeutic biologic with the same principal molecular structural features for the same condition if the FDA concludes that the later drug or therapeutic biologic is safer, more effective or makes a major contribution to patient care. Orphan Drug Designation neither shortens the development time or regulatory review time of a drug or therapeutic biologic nor gives the drug or therapeutic biologic any advantage in the regulatory review or approval process. In addition, while we may seek Orphan Drug Designation for our product candidates, we may not receive such designations.

Even if we receive regulatory approval for any of our product candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. Additionally, our product candidates, if approved, could be subject to labeling and other restrictions and market withdrawal and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products.

Any regulatory approvals that we or our existing or future collaborators obtain for our product candidates may also be subject to limitations on the approved indicated uses for which a product may be marketed or to conditions of approval, or contain requirements for potentially costly post-marketing testing, including "Phase 4" clinical trials, and surveillance to monitor the safety and efficacy of the product candidate. Additionally, we may receive approval for indications or patient populations that are not as broad as intended or desired. Furthermore, any regulatory approval to market a product may be subject to limitations on the labeling of the product or may require safety warnings or other restrictions. In addition, the FDA has the authority to require a REMS plan as part of a BLA or after approval, which may impose further requirements or restrictions on the distribution or use of an approved biologic, such as limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may limit the size of the market for the product and affect reimbursement by third-party payors.

In addition, if the FDA or a comparable foreign regulatory authority approves any of our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, import, export, advertising, promotion and recordkeeping for the product will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs and GCPs for any clinical trials that we conduct post-approval. The manufacturer and manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and other comparable foreign regulatory authorities, including for continued compliance with cGMP requirements. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. Later discovery of previously unknown problems with a product, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the labeling, marketing, or manufacturing of the product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- withdrawal of the product from the market or voluntary or mandatory product recalls;
- fines, warning or untitled letters or holds on clinical trials;
- delay of approval or refusal by the FDA or comparable foreign regulatory authorities in other jurisdictions to approve pending applications or supplements to approved applications filed by us, our current collaborator or any future strategic partners;
- suspension or revocation of product license approvals;
- product seizure or detention or refusal to permit the import or export of products; and
- injunctions or the imposition of civil or criminal penalties.

The FDA's policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If these regulations impose constraints on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability, which would adversely affect our business, financial condition, results of operations and prospects.

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

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

Our ability to commercialize any products successfully also will depend in part on the extent to which reimbursement for these products and related treatments will be available from government authorities, private health insurers and other organizations. Even if we succeed in bringing one or more products to the market, these products may not be considered cost-effective, and the amount reimbursed for any products may be insufficient to allow us to sell our products on a competitive basis. At our programs' current stages of development, we are unable at this time to determine their cost effectiveness or the likely level or method of reimbursement. Increasingly, the third-party payors who reimburse patients or healthcare providers, such as government and private insurance plans, are requiring that drug companies provide them with predetermined discounts from list prices and are seeking to reduce the prices charged or the amounts reimbursed for biopharmaceutical products. If the price we are able to charge for any products we develop, or the reimbursement provided for such products, is inadequate in light of our development and other costs, our return on investment could be adversely affected.

There is significant uncertainty related to third-party payor coverage and reimbursement of newly approved products. For example, in the United States, principal decisions about reimbursement for new products are typically made by the Centers for

Medicare & Medicaid Services ("CMS"), an agency within the U.S. Department of Health and Human Services ("HHS"). CMS decides whether and to what extent a new product will be covered and reimbursed under Medicare, and private third-party payors often follow CMS's decisions regarding coverage and reimbursement to a substantial degree. State Medicaid agencies and Medicaid managed care plans make coverage and payment decisions under Medicaid within federal guidelines. However, one third-party payor's determination to provide coverage for a product candidate does not assure that other payors will also provide coverage for the product candidate. As a result, the coverage determination process is often time-consuming and costly. This process will require us to provide scientific and clinical support for the use of our products to each third-party payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

Moreover, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed products, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drug products. On May 12, 2025, President Trump issued an Executive Order that, among other things, required HHS, within 30 days, to establish and communicate to drug manufacturers most-favored-nation ("MFN") price targets designed to bring drug prices for American patients in line with those in comparably developed nations. If significant progress towards MFN pricing is not achieved, the Executive Order requires HHS to propose a rulemaking to implement MFN pricing. Recently, on December 23, 2025, CMS issued proposed regulations to establish, under the Center for Medicare and Medicaid Innovation, two mandatory MFN pricing demonstration models under Medicare Part B and Part D. If these rules or other MFN pricing rules are finalized, they are likely to mandate reduced prices of at least some drugs in the United States, if they are also sold in comparator countries. Even if we do not market drugs in such countries, we will be indirectly affected if our drugs competed with drugs that were reduced by MFN pricing. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

In some countries, particularly member states of the European Union (EU), the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various EU member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, we or our existing or future collaborators may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries.

There may be significant delays in obtaining reimbursement for newly approved drugs or therapeutic biologics, and coverage may be more limited than the purposes for which the drug or therapeutic biologic is approved by the FDA or similar regulatory authorities outside of the United States. Moreover, eligibility for reimbursement does not guarantee that any drug or therapeutic biologic will be reimbursed in all cases or at a rate that permits us to cover our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs or therapeutic biologics, if applicable, may also be insufficient to cover our costs and may not be made permanent. Reimbursement rates may be based on payments allowed for lower-cost drugs or therapeutic biologics that are already reimbursed, may be incorporated into existing payments for other services and may reflect budgetary constraints or imperfections in Medicare data. Net prices for drugs or therapeutic biologics may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs or therapeutic biologics from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement rates. If reimbursement of any product candidate approved for marketing is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our business, financial condition, results of operations or prospects could be materially and adversely affected, and our ability to commercialize such products, once approved, could be materially impaired.

The FDA and other comparable foreign regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses.

If any of our product candidates are approved and we are found to have improperly promoted off-label uses of those products, we may become subject to significant liability. The FDA and other comparable foreign regulatory authorities strictly regulate the promotional claims that may be made about prescription products, such as our product candidates, if approved. In particular, a product may not be promoted for uses that are not approved by the FDA or such other comparable foreign regulatory authorities as reflected in the product's approved labeling. For example, if we receive marketing approval for mecbotamab vedotin as a treatment for mKRAS NSCLC, and we are found to have promoted off-label uses, we may become subject to significant liability. Physicians may

nevertheless use our product for their patients in a manner that is inconsistent with the approved labeling. Moreover, although we believe that our product candidates may be safer or more effective than other therapies, unless we conduct head-to-head comparative studies, we will not be able to make any claims of superiority. The U.S. federal government has levied large civil and criminal fines against companies for alleged improper promotion of off-label use and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion of our product candidates, if approved, we could become subject to significant liability, which would materially adversely affect our business, financial condition, results of operations and prospects.

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

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, statutory, regulatory and policy changes and other events that may otherwise affect the FDA's ability to perform routine functions. In addition, government funding of the Securities and Exchange Commission ("SEC") and other government agencies on which our operations may rely, including those that fund research and development activities, is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new drugs to be reviewed or approved by necessary government agencies, which would adversely affect our business. Furthermore, the application of newly developed artificial intelligence ("AI") and other technologies may have the impact of reducing the development time to bring new products to market, which may materially increase the volume of applications for product approval to the FDA compared to historical application levels. If this increased application volume materializes and funding for additional staff and resources are not allocated to the FDA, the FDA may not be able to continue its current pace of application reviews and review timelines could be extended. Regulatory authorities outside the U.S. facing similar increases in application volume may also experience delays in their regulatory activities.

Similar consequences would also result in the event of a significant shutdown of the federal government. For example, over the last several years, including for 35 days beginning on December 22, 2018, and most recently beginning on October 1, 2025, the U.S. government has shut down several times and certain regulatory authorities, such as the FDA, have had to furlough critical employees and stop critical activities to the extent they are not funded by existing available user fees. Additionally, starting in January 2025, the Trump administration has reduced the number of federal employees by establishing voluntary termination programs, by position eliminations or by involuntary terminations.

If a prolonged government shutdown occurs, if funding for the FDA, including for user-fee funded activities or other federal agencies (including their workforce) is reduced or exhausted, if global health concerns prevent the FDA or comparable foreign regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, or if the volume of applications to the FDA or comparable foreign regulatory authorities for new product candidates increases materially, it could significantly impact the ability of the FDA or comparable foreign regulatory authorities to timely review and process our regulatory submissions, and could even result in a complete cessation of such activities until appropriations legislation or a continuing resolution is passed, which could have a material adverse effect on our business. Further, future government shutdowns or delays could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

There is substantial uncertainty regarding the Administration's initiatives and how these might impact the FDA, its implementation of laws, regulations, policies and guidance and its personnel. Similar initiatives may also be directed toward other government agencies. These initiatives could prevent, limit or delay development and regulatory approval of our product candidates, which would impact our business.

FDA-regulated industries, such as ours, face substantial uncertainty in regard to the regulatory environment we will face as we proceed with research and development, and possibly in the future commercialization, efforts following the inauguration of President Trump in January 2025. Some of these efforts have manifested to date as efforts to reduce the size of the federal government, including large-scale reductions in force at FDA. The loss of key personnel at the FDA, including those in leadership positions, is likely to impact operations at the FDA, which could result in, among other things, delays or limitations on our ability to obtain guidance from the FDA on our product candidates in development, longer review times, and delays in obtaining regulatory approvals for our product candidates. Moreover, the Administration has paused payments by, reduced the budget of, and terminated grants provided by the National Institutes of Health ("NIH") as related to its funding for medical research, which has decreased, and may continue to decrease, the ability of facilities that rely on NIH funding to enroll and conduct clinical trials. Some of these actions have been challenged in court and there remains general uncertainty regarding future activities. The Administration could issue or

promulgate executive orders, regulations, policies or guidance that adversely affects us or create a more challenging or costly environment to pursue the development of new therapeutic products. Alternatively, state governments may attempt to address or react to changes at the federal level with changes to their own regulatory frameworks in a manner that is adverse to our operations. If we or our collaborators become negatively impacted by future governmental orders, regulations, policies or guidance as a result of the Administration, there could be a material adverse effect on us and our business.

The FDA, EMA and other comparable foreign regulatory authorities may not accept data from trials conducted in locations outside of their jurisdiction.

We may choose to conduct international clinical trials in the future. The acceptance of study data by the FDA, EMA or other comparable foreign regulatory authority from clinical trials conducted outside of their respective jurisdictions may be subject to certain conditions. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the United States population and United States medical practice; (ii) the trials are performed by clinical investigators of recognized competence and pursuant to current GCP requirements; and (iii) the FDA is able to validate the data through an on-site inspection or other appropriate means. Additionally, the FDA's clinical trial requirements, including the adequacy of the patient population studied and statistical powering, must be met. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. We cannot assure you that the FDA, EMA or any applicable foreign regulatory authority will accept data from trials conducted outside of its applicable jurisdiction. If the FDA, EMA or any applicable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in our product candidates not receiving approval for commercialization in the applicable jurisdiction.

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

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

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

In addition, in the United States, there have been and continue to be several legislative initiatives to contain healthcare costs. Previously, in March 2010, the ACA was enacted, which was intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Later healthcare reform initiatives culminated in the enactment of the IRA in August 2022, which, among other things, requires HHS to directly negotiate the selling price of a statutorily specified number of drugs and biologics each year that CMS reimburses under Medicare Part B and Part D. The negotiated price may not exceed a statutory ceiling price. Only high-expenditure single-source biologics that have been approved for at least 11 years (7 years for single-source drugs) are eligible to be selected by CMS for negotiation, with the negotiated price taking effect two years after the selection year. For 2026, the first year in which negotiated prices became effective, CMS selected 10 high-cost Medicare Part D products in 2023, negotiations began in 2024, the negotiated maximum fair price for each product was announced, and these prices became effective in 2026. These negotiations resulted in significant price reductions for the products from their 2023 list prices, ranging from 38 to 79 percent, with an average price reduction of 59.4 percent. In addition, CMS has selected and negotiated maximum fair pricing for 15 additional Medicare Part D drugs, which will become effective in 2027. For 2028, CMS has selected an additional 15 drugs, comprised of drugs covered under Medicare Part D and, for the first time, drugs payable under Medicare Part B. For 2029 and subsequent years, 20 Part B or Part D drugs will be selected. Currently, a drug or biological product that has an orphan drug designation for only one rare disease or condition is excluded from the IRA's price negotiation requirements, as long as it is approved only for an indication within that disease or condition. However, as a result of a statutory amendment enacted in July 2025, beginning with the 2028 negotiated price applicability year, a drug may be designated for more than one rare disease or condition and still be excluded from price negotiation, as long as the only approved indications are for such rare diseases or conditions. The negotiated prices have represented, and will continue to represent, a significant discount from average prices to wholesalers and direct purchasers. The law also imposes rebates on Medicare

Part D and Part B drugs whose prices have increased at a rate greater than the rate of inflation. Manufacturers that fail to comply with the IRA may be subject to various penalties, including civil monetary penalties. The IRA permits the Secretary of HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions may be subject to legal challenges. For example, the provisions related to the negotiation of selling prices of high-expenditure single-source drugs and biologics have been challenged in several lawsuits. Thus, while it is unclear how certain provisions of the IRA will be implemented, the IRA will likely have a significant impact on the pharmaceutical industry. It is unclear to what extent other statutory, regulatory, and administrative initiatives will be enacted and implemented, and to what extent these or any future legislation or regulations by the current administration or subsequent administrations will have on our business, including market acceptance, and sales, of our products and product candidates.

Further, on May 30, 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Beilina Right to Try Act of 2017, or the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new product candidates that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a drug manufacturer to make its products available to eligible patients as a result of the Right to Try Act.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"), which, among other things, contains a number of provisions designed to reduce the number of Americans insured under Medicaid and health exchange plans established under the 2010 Affordable Care Act. The provisions intended to reduce Medicaid enrollment include a work requirement, under which applicants and current beneficiaries will be required to demonstrate that they are engaged for at least 80 hours per month in work, community service, an educational program, or some combination of these. Parents and caregivers of dependent children 13 years old or less and certain other beneficiaries are exempted. In addition, the OBBBA establishes more frequent eligibility verification requirements, restrictions on how states can finance their share of Medicaid, elimination of coverage for undocumented immigrants, and elimination of coverage for gender affirming care and certain family planning clinics. A Congressional Budget Office ("CBO") analysis of the Act estimates that 7.8 million adults will lose Medicaid coverage by 2034, of which 5.2 million will be due to the work requirement. In addition, the OBBBA makes changes to the ACA insurance marketplaces, including, among other measures, greater limitations on enrollment periods, which will result in an additional 3.6 million Americans being uninsured by 2034 according to CBO's estimate. These significant decreases in the numbers of insured Americans will reduce the ability of patients, especially those of modest means, to afford medications, which could reduce the demand for our products.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. For example, the FDA released a final rule in September 2020 providing guidance for states to build and submit plans for importing drugs from Canada, and the FDA authorized the first such plan in Florida in January 2024, which has been extended until November 2026. In June 2026, FDA authorized Colorado's importation plan. It is unclear whether these programs will be extended, how they will be implemented, including which drugs will be chosen, and whether they will be subject to legal challenges in the United States or Canada. Other states have also submitted proposals that are pending review by the FDA. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our drug products that we successfully commercialize or put pressure on our product pricing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. These measures could reduce the ultimate demand for our products, once approved, or put pressure on our product pricing.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our current product candidates and any future product candidates or additional pricing pressures.

Our relationships with healthcare professionals, clinical investigators, CROs and third-party payors in connection with our current and future business activities may be subject to federal and state healthcare fraud and abuse laws, false claims laws, transparency laws, government price reporting and health information privacy and security laws, which could expose us to significant losses, including, among other things, criminal sanctions, civil penalties, contractual damages, exclusion from governmental healthcare programs, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare professionals, clinical investigators, CROs, third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market,

sell and distribute our product candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering, or providing remuneration, directly or indirectly, in cash or in kind to induce or reward, or in return for, either the referral of an individual, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal false claims and civil monetary penalties laws, including the U.S. federal False Claims Act, which imposes criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. In addition, a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- HIPAA, which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services; similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- HIPAA, as amended by HITECH, which imposes obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable health information, including mandatory contractual terms, with respect to safeguarding the privacy, security, and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information;
- federal and state consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm customers;
- the U.S. Physician Payments Sunshine Act created under the ACA, and its implementing regulations, which require that certain manufacturers of drugs, devices, medical supplies and therapeutic biologics that are reimbursable under Medicare, Medicaid, and Children's Health Insurance Programs report annually to the Department of Health and Human Services information related to certain payments and other transfers of value to physicians, as defined by such law, physician assistants, certain types of advance practice nurses and teaching hospitals, as well as ownership and investment interests held by the physicians described above and their immediate family members; and
- analogous state laws and regulations, such as state anti-kickback and false claims laws that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; some state laws require that pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug and therapeutic biologics manufacturers to report information related to payments to physicians and other healthcare providers or marketing expenditures, and information related to drug pricing, including price increases. Certain state and local laws also require the registration of pharmaceutical sales representatives.

Foreign and state laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. For instance, the collection and use of health data in the EU is governed by the General Data Protection Regulation ("GDPR") which extends the geographical scope of EU data protection law to non-EU entities under certain conditions, tightens existing EU data protection principles and creates new obligations for companies and new rights for individuals. Failure to comply with the GDPR may result in substantial fines and other administrative penalties. The GDPR may increase our responsibility and liability in relation to personal data that we possess and we may be required to put in place additional mechanisms ensuring compliance with the GDPR. We comply with the GDPR and the UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in United Kingdom national law, the latter regime having the ability to separately fine and penalize violations. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, and it is unclear how United Kingdom data protection laws and regulations will develop in the medium to longer term, and how data transfers to and from the United Kingdom will be regulated in the long term. Ongoing developments in the United Kingdom have created additional uncertainty regarding personal data transfers from the European Economic Area ("EEA") to the United Kingdom following the termination of the personal data transfer grace period set out in the EU and United Kingdom Trade and Cooperation Agreement, which ended on June 30, 2021. It is not clear whether (and when) an adequacy decision may be granted by the European Commission enabling data transfers from EU

member states to the United Kingdom long term without additional measures. Moreover, in July 2020 the Court of Justice of the European Union ("CJEU") invalidated the EU-US Privacy Shield Framework ("Privacy Shield") under which personal data could be transferred from the EEA and the United Kingdom to entities in the United States who had self-certified under the Privacy Shield scheme. This has led to uncertainty about the adequate transfer mechanisms for other personal data transfers from the EEA and the United Kingdom to the United States or interruption of such transfers. In the event that any court of law orders the suspension of personal data transfers to or from a particular jurisdiction this could give rise to operational interruption in the performance of services for customers, greater costs to implement alternative data transfer mechanisms that are still permitted, regulatory liabilities or reputational harm.

In addition, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information, and such laws may differ from each other, all of which may complicate compliance efforts. For example, the CCPA, as modified by the CPRA, creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA and CPRA may increase our compliance costs and potential liability, and similar laws have been proposed at the federal level and in other states. In addition, Virginia's Consumer Data Protection Act, which took effect on January 1, 2023, requires businesses subject to the legislation to conduct data protection assessments in certain circumstances and requires opt-in consent from consumers to acquire and process their sensitive personal information, which includes information revealing a consumer's physical and mental health diagnosis and genetic and biometric information that can identify a consumer. Colorado enacted the Colorado Privacy Act, and Connecticut enacted the Connecticut Data Privacy Act, each of which took effect on July 1, 2023, and Utah enacted the Consumer Privacy Act, which became effective on December 31, 2023, and each of these laws may increase the complexity, variation in requirements, restrictions, and potential legal risks, and could require increased compliance costs and changes in business practices and policies. Other states have also enacted, proposed, or are considering proposing, data privacy laws, which could further complicate compliance efforts, increase our potential liability and adversely affect our business.

Ensuring that our internal operations and future business arrangements with third parties comply with applicable healthcare, privacy and securities laws and regulations worldwide will involve substantial costs. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to regulatory investigations and enforcement actions, as well as civil private plaintiff litigation, which could mean significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from participation in government-funded healthcare programs such as Medicare and Medicaid or similar programs in other countries or jurisdictions, disgorgement, imprisonment, reputational harm and diminished profits. Responding to regulatory inquiries and defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired.

If we fail to comply with U.S. and foreign regulatory requirements, regulatory authorities could limit or withdraw any marketing or commercialization approvals we may receive and subject us to other penalties that could materially harm our business.

Even if we receive marketing and commercialization approval of a product candidate, we will be subject to continuing regulatory requirements, including in relation to adverse patient experiences with the product and clinical results that are reported after a product is made commercially available, both in the United States and any foreign jurisdiction in which we seek regulatory approval. The FDA has significant post-market authority, including the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The FDA also has the authority to require a REMS after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug or therapeutic biologic. The manufacturer and manufacturing facilities we use to make a future product, if any, will also be subject to periodic review and inspection by the FDA and comparable foreign regulatory authorities, including for continued compliance with cGMP requirements. The discovery of any new or previously unknown problems with our third-party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including withdrawal of the product from the market. We rely, and expect we will continue to rely, on third-party manufacturers, and we will not have control over compliance with applicable rules and regulations by such manufacturers. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. If we or our existing or future collaborators, manufacturers or service providers fail to comply with applicable continuing regulatory requirements in the United States or foreign jurisdictions in which we seek to market our products, we or they may be subject to, among other things, fines, warning or untitled letters, holds on clinical trials, delay of approval or refusal by the FDA or comparable foreign regulatory authorities to approve pending applications or supplements to approved applications, suspension or withdrawal of regulatory approval, product recalls and seizures, administrative detention of products, refusal to permit the import or export of products, operating restrictions, injunctions, civil penalties and criminal prosecution.

Our research and development activities could be affected or delayed as a result of possible restrictions on animal testing.

Certain laws and regulations may require us to conduct preclinical testing, which is routinely conducted in animals, before initiating clinical trials involving humans. Animal testing activities have been the subject of controversy and adverse publicity. Animal rights groups and other organizations and individuals have attempted to stop animal testing activities by pressing for legislation and regulation in these areas and by disrupting these activities through protests and other means. To the extent the activities of these groups are successful, our research and development activities may be interrupted, delayed or become more expensive.

In April 2025, the FDA announced a plan to phase out animal testing requirements for monoclonal antibodies and other drugs. This plan involves replacing animal testing with scientifically validated new approach methodologies ("NAMs"), including computational modeling and in vitro human-based systems. A roadmap published at the time of the announcement lays out an implementation plan over the next three years, which includes encouraging sponsors to submit NAM data in parallel with animal data, efforts to encourage the reduction and duration of animal testing, and exploration of the feasibility of replacing animal testing with NAMs. This roadmap also identified a long-term goal (3-5 years) to make animal studies the exception, rather than the norm. There is substantial uncertainty regarding the steps the FDA may ultimately take to encourage or require companies to reduce the use of animal testing for any type of investigational product, when such steps might be taken, and what consequences these might have for development programs such as ours. Furthermore, animal testing may still be required for drug approval outside of the U.S. which could impact our development timelines and cost.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets. We can face criminal liability and other serious consequences for violations, which can harm our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls, the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We may engage third parties to sell our products outside the United States, to conduct clinical trials and/or to obtain necessary permits, licenses, patent registrations and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other collaborators, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

We and our third-party contractors must comply with environmental, health and safety laws and regulations. A failure to comply with these laws and regulations could expose us to significant costs or liabilities.

We and our third-party contractors are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the use, generation, manufacture, distribution, storage, handling, treatment, remediation and disposal of hazardous materials and wastes. Hazardous chemicals, including flammable and biological materials, are involved in certain aspects of our business, and we cannot eliminate the risk of injury or contamination from the use, generation, manufacture, distribution, storage, handling, treatment or disposal of hazardous materials and wastes. In the event of contamination or injury, or failure to comply with environmental, health and safety laws and regulations, we could be held liable for any resulting damages, fines and penalties associated with such liability which could exceed our assets and resources.

Although we maintain workers' compensation insurance to cover us for costs and expenses, we may incur due to injuries to our employees resulting from the use of biological or hazardous materials or wastes arising out of and in the course of employment, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials.

Environmental, health and safety laws and regulations are becoming increasingly more stringent. We may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Changes in tax laws or in their implementation or interpretation may adversely affect us or our investors.

The rules dealing with the U.S. federal, state and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service ("IRS") and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many changes have been made and changes are likely to continue to occur in the future. For example, the OBBBA was signed into law on July 4, 2025, and extends many of the tax law provisions that were set to expire in 2025, allows for the immediate expensing of domestic U.S. research and development expenses, and makes changes to the U.S. taxation of profits derived from foreign operations. The impact of this newly enacted law on our tax position is currently under review and will depend on how the provision is implemented and interpreted by the IRS and other regulatory authorities. It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws may be enacted, or regulations and rulings may be enacted, promulgated or issued under existing or new tax laws, which could result in an increase in our or our stockholders' tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

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

If we fail to attract and retain qualified senior management and key clinical and scientific personnel, our business may be materially and adversely affected.

Our success depends in part on our continued ability to attract, retain and motivate highly qualified management and clinical and scientific personnel. We are highly dependent upon members of our senior management, including Jay M. Short, Ph.D., our Chairman and Chief Executive Officer, as well as our clinical development leaders, senior scientists, and other members of our senior management team. The loss of services of any of these individuals could delay or prevent the successful development of our product pipeline, the initiation and completion of our planned clinical trials or the commercialization of product candidates or any future product candidates.

There is competition for qualified personnel in the pharmaceutical, biopharmaceutical and biotechnology field due to the limited number of individuals who possess the skills and experience required by our industry. We will need to hire additional personnel as we expand our clinical development and if we initiate commercial activities. We may not be able to attract and retain quality personnel on acceptable terms, or at all. In addition, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged proprietary or other confidential information, or that their former employers own their research output.

We currently have no sales organization. If we are unable to establish sales, marketing and distribution capabilities on our own or through third parties, we may not be able to market and sell our product candidates, if approved, effectively in the United States and foreign jurisdictions or generate product revenue.

We currently do not have a marketing or sales organization. In order to commercialize our product candidates in the United States and foreign jurisdictions on our own, we must build our marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. If any of our product candidates receives regulatory approval, we will need to develop internal sales, marketing and distribution capabilities to commercialize such products, which would be expensive and time-consuming, or make arrangements with third parties to perform these services. If we decide to market our products directly, we will need to commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and supporting distribution, administration and compliance capabilities. If we rely on third parties with such capabilities to market our products or decide to co-promote products with existing or future collaborators, we will need to establish and maintain marketing and distribution arrangements with third parties, and we cannot assure you that we will be able to enter into such arrangements on acceptable terms, or at all. In entering into third-party marketing or distribution arrangements, any revenue we receive will depend upon the efforts of the third parties, and we cannot assure you that such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance of any approved product. If we are not successful in commercializing any product approved in the future, either on our own or through arrangements with one or more third parties, we may not be able to generate any future product revenue and we would incur significant additional losses.

In order to successfully implement our plans and strategies, we will need to grow the size of our organization, and we may experience difficulties in managing this growth.

In order to successfully implement our development and commercialization plans and strategies, and operate as a public company, we expect to need additional development, managerial, operational, financial, sales, marketing and other personnel. Future growth would impose significant added responsibilities on members of management, including, among others:

- identifying, recruiting, integrating, maintaining and motivating additional employees;

- managing our internal development efforts effectively, including the clinical and regulatory review process for mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182 and any other product candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to successfully develop and, if approved, commercialize mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and any future product candidates will depend, in part, on our ability to effectively manage any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities. In addition, as a smaller organization, we may face limitations in our ability to successfully implement and manage our plans and strategies due to resource constraints and limited personnel. These limitations may hinder our ability to execute multiple initiatives simultaneously, respond quickly to market or regulatory changes, and effectively compete with larger organizations that have greater resources and infrastructure. If we are unable to overcome the challenges associated with operating as a smaller organization, our business, financial condition, and results of operations could be materially and adversely affected.

To date, we have used the services of outside vendors to augment our capabilities in performing certain tasks, including preclinical and clinical trial management, manufacturing, statistics and analysis and research and development functions. Our growth strategy may also entail expanding our group of such contractors or consultants to assist in implementing these tasks going forward. Because we rely on numerous consultants, we will need to be able to effectively manage these consultants to ensure that they successfully carry out their contractual obligations and meet expected deadlines. However, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and any future product candidates or otherwise advance our business. We may not be able to manage our existing outside contractors or find other competent outside contractors and consultants on economically reasonable terms, or at all. If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize mecbotamab vedotin, ozuriftamab vedotin, evalstotug, BA3182, and any future product candidates and, accordingly, may not achieve our research, development and commercialization goals.

Our employees and independent contractors, including principal investigators, CROs, consultants and vendors, may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees and independent contractors, including principal investigators, CROs, consultants and vendors may violate (intentionally or unintentionally) our internal processes and procedures, or engage in misconduct or other illegal activity. Such actions could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violate: (1) the laws and regulations of the FDA and other similar regulatory requirements, including those laws that require the reporting of true, complete and accurate information to such authorities, (2) manufacturing standards, including cGMP requirements, (3) data privacy, security, fraud and abuse and other healthcare laws and regulations in the United States and abroad, (4) laws that require the true, complete and accurate reporting of financial information or data or (5) company policies on the use of social media and disclosure of confidential information. Activities subject to these laws also involve the improper use or misrepresentation of information obtained in the course of clinical trials, the creation of fraudulent data in our preclinical studies or clinical trials, or illegal misappropriation of drug product, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify, prevent and deter these activities and/or misconduct by employees and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. In addition, we are subject to the risk that a person or government could allege such actions, including fraud or other misconduct, even if none occurred. If any such actions are instituted against us, we may incur significant costs to respond, and if we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and financial results, including, without limitation, the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgements, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, individual imprisonment, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

We depend on our information technology systems and those of our CROs, manufacturers, contractors and consultants. Our internal computer systems, such as our enterprise resource planning ("ERP") system, or those of any of our CROs, manufacturers, other contractors, consultants, existing or future collaborators, may fail or suffer security or data privacy breaches or other unauthorized or improper access to, use or acquisition of or destruction of our proprietary and confidential data,

employee data or personal data, which could result in additional costs, loss of revenue, significant liabilities, harm to our reputation and material disruption of our operations.

In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. Despite the implementation of security measures, our internal computer systems and infrastructure and those of our current and any future CROs, manufacturers, other contractors, consultants, existing or future collaborators and other third-party service providers are vulnerable to unauthorized access, impairment, or damage from various methods, including cybersecurity attacks, ransomware attacks, breaches, intentional or accidental mistakes or errors, or other technological failures, which can include, among other things, computer viruses, malware, exploit of unpatched product or service vulnerabilities, unauthorized access attempts (including third parties gaining access to systems using stolen or inferred credentials), denial-of-service attacks, phishing attempts, service disruptions, natural disasters, fire, terrorism, war, telecommunication and electrical failures, and attacks enhanced or facilitated by AI. As the cyber-threat landscape evolves, these attacks are growing in frequency, levels of persistence, sophistication and intensity, are becoming increasingly difficult to detect, and are being conducted by sophisticated groups and individuals with a wide range of motives and expertise. We may also face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. If such an event were to occur and cause interruptions in our operations, impact to critical data or systems, or result in the unauthorized acquisition of or access to personally identifiable information or individually identifiable health information (violating certain privacy, cybersecurity or data protection laws such as HIPAA, HITECH, the CCPA and GDPR), it could result in a material disruption of our product candidate development programs and our business operations and we could incur significant liabilities. There also could be requirements that we notify individuals and regulators in the event of unauthorized access to, acquisition, destruction, alteration, or misuse of, personal or health information, which could result from breaches experienced by us or by our vendors, contractors or organizations with which we have formed strategic relationships. Notifications and follow-up actions related to a security breach could impact our reputation and cause us to incur significant costs, including legal expenses and remediation costs, and result in the loss of confidence by our partners, customers, and stakeholders, and thereby have longer term adverse impact on our business operations and revenue. For example, the loss of clinical trial data from completed, ongoing or future clinical trials involving our product candidates could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the lost data. In addition, because of our approach of running multiple clinical trials in parallel, any breach of our computer systems may result in a loss of data or compromised data integrity across many of our programs in various stages of development.

We also rely on third parties to manufacture our product candidates, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could be exposed to litigation and governmental investigations, the further development and commercialization of our product candidates could be delayed and we could be subject to significant fines or penalties for any noncompliance with certain state, federal or international privacy and security laws.

We operate our ERP system and other key business systems on SaaS platforms. Accordingly, we depend on these systems, and the third-party providers of these services, for several aspects of our operations. If these service providers or these systems fail, or if we are unable to continue to have access to these systems on commercially reasonable terms, or at all, operations could be severely disrupted until an equivalent system(s) could be identified, licensed or developed, and integrated into our operations. This disruption could have a material adverse effect on our business.

Our insurance policies may not be adequate to compensate us for the potential losses arising from any such disruption, failure or security breach. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and could have high deductibles in any event, and defending a suit, regardless of its merit, could be costly and divert management attention.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive data about us from public sources, data brokers, or other means that reveal competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive data of the Company could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies. The increasing adoption of AI tools and platforms introduces additional risks, including the potential for unauthorized access to proprietary information, generation of inaccurate or misleading content, and exposure to new cybersecurity threats. AI-generated outputs may also inadvertently violate regulatory requirements or intellectual property rights, which could result in legal liability or reputational harm. As AI technologies evolve rapidly, it may be challenging to anticipate and mitigate all associated risks, and our existing controls may not be sufficient to address emerging threats. Any failure to effectively manage AI-related risks could have a material adverse effect on our business, financial condition, and results of operations.

A portion of our research and development activities take place in China. Uncertainties regarding the interpretation and enforcement of Chinese laws, rules and regulations, a trade war, deterioration of international relations, or political unrest in China could materially adversely affect our business, financial condition and results of operations.

We previously conducted preclinical research and development activities in China through BioDuro-Sundia, which is U.S. owned, but governed by Chinese laws, rules and regulations, and we may in the future conduct similar research and development activities in China. Additionally, our agreement with Himalaya Therapeutics Limited Company is for the initiation of clinical trials of evalstotug in the People's Republic of China. The Chinese legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value. In addition, the Chinese legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or not published at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until after the occurrence of the violation. Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since Chinese administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in U.S. or EU legal systems.

We do some business with companies in China, and it is possible some of our contractual counterparties could be impacted by the legislation targeting China. One particular executive order titled Advancing Biotechnology and Biomanufacturing Innovation for a Sustainable, Safe, and Secure American Bioeconomy signed on September 12, 2022 will likely impact the pharmaceutical industry to encourage U.S. domestic manufacturing of pharmaceutical products. Moreover, there have been Congressional legislative proposals, such as the bill titled the BIOSECURE Act, which was recently signed into law in December 2025, that prohibits U.S. federal agencies from entering into or renewing any contract with any entity that uses biotechnology equipment or services produced or provided by a "biotechnology company of concern" to perform that contract as well as authorize the U.S. government to name additional Chinese "biotechnology companies of concern." The BIOSECURE Act also prohibits U.S. government loan and grant recipients from using federal loan or grant money to enter into contracts with entities that use equipment from "biotechnology companies of concern" in the performance of any federal prime contract or subcontract. The Office of Management and Budget ("OMB") of the U.S. Government will issue a list of "biotechnology companies of concern," which will include certain companies that are identified on the U.S. Department of Defense's annual List of Chinese Military Companies, also known as the 1260H List, other entities which the U.S. Government has deemed as such pursuant to a separate designation process, and certain subsidiary, parent, and successor entities of the foregoing. We are currently party to agreements with WuXi Biologics and WuXi XDC Hong Kong for certain development and manufacturing services. WuXi AppTec is currently designated on the 1260H List, but neither WuXi Biologics nor WuXi XDC Hong Kong are currently designated on the 1260H List. WuXi Biologics was previously explicitly named as a "biotechnology company of concern" in prior versions of the BIOSECURE Act." In addition, the BIOSECURE Act provides a grandfathering period of five years for entities that are designated by the U.S. Government; however, entities identified on the 1260H List are not eligible for such grandfathering period. It is possible for the legislation to be amended. If this law, or similar laws that are passed impact Chinese biotechnology manufacturing companies that may be or may become contractors of ours or provide biotechnology equipment or services in the manufacture of our products or products candidates, we may be restricted in our ability to work with such Chinese biotechnology manufacturing companies to the extent we would contract with, or otherwise receive funding from, the U.S. government. As a result, we may need to seek alternative CMO relationships. While we believe we will be able to identify and contract with such alternative CMOs, we cannot predict the terms of any such alternative arrangement nor what actions may ultimately be taken with respect to trade relations between the United States and China or other countries, what products and services may be subject to such actions or what actions may be taken by China or the other countries in retaliation. In addition, any unfavorable government policies on international trade, such as export controls, capital controls or tariffs, new legislation or regulations, renegotiation of existing trade agreements, or any retaliatory trade actions due to recent or future trade tension, may impede, delay, limit, or increase the cost of manufacturing our product candidates. Such events could result in our clinical or commercial supply, packaging and other services being interrupted or limited, which could harm our business.

Furthermore, we are exposed to the possibility of disruption of our research and development activities in the event of changes in the policies of the United States or Chinese governments, political unrest or unstable economic conditions in China, including the escalation of tensions between China and Taiwan. In addition, disagreements between the United States and China with respect to their political, military or economic policies toward Taiwan may contribute to further controversies. For example, a trade war could lead to increased costs for clinical materials that are manufactured in China. These interruptions or failures and any restrictive measures resulting from a deterioration of U.S.- China relations could also result in impeding the commercialization of our product candidates and impair our competitive position. Further, we may be exposed to fluctuations in the value of the local currency in China. Future appreciation of the local currency could increase our costs. These uncertainties may impede our ability to enforce the contracts we have entered into and our ability to continue our research and development activities and could materially and adversely affect our business, financial condition and results of operations.

Our current operations are concentrated in one location. We or the third parties upon whom we depend may be adversely affected by earthquakes, wildfires or other natural disasters, and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

While our current operations are located in our facilities in San Diego, California, we have in the past conducted and may in the future conduct a portion of our research and development activities in other countries. Any unplanned event, such as flood, fire, explosion, earthquake, extreme weather condition, medical epidemics or pandemics, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us being unable to fully utilize our facilities, or the manufacturing facilities of our third-party contract manufacturers, may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our product candidates or interruption of our business operations. Earthquakes, wildfires or other natural disasters could further disrupt our operations and have a material and adverse effect on our business, financial condition, results of operations and prospects. If a natural disaster, power outage or other event prevented us from using all or a significant portion of our headquarters, damaged critical infrastructure, such as our research facilities or the manufacturing facilities of our third-party contract manufacturers, or otherwise disrupted operations, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our third-party contract manufacturers, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption may have a material and adverse effect on our business, financial condition, results of operations and prospects. In addition, all of our therapeutic antibodies are manufactured by starting with cells from a master cell bank which are stored in multiple locations to reduce the risk of loss. While we believe we will have adequate backup should any cell bank be lost in a catastrophic event, and we take precautions when transporting our cell banks, it is possible that we could lose several cell banks and have our manufacturing severely impacted by the need to replace the cell banks.

Our business is subject to economic, political, regulatory and other risks associated with conducting business internationally.

We, our collaborators or licensees may seek regulatory approval of our product candidates outside of the United States including in China, the EU, Australia, New Zealand, and Japan. Additionally, pursuant to our agreement with Himalaya Therapeutics Limited Company, we conduct clinical trials in the People's Republic of China. Accordingly, we expect that we will be subject to additional risks related to operating in foreign countries if we obtain the necessary approvals, including, among others:

- differing regulatory requirements and reimbursement regimes in foreign countries;
- unexpected changes in tariffs, trade barriers, price and exchange controls and other regulatory requirements;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability under the FCPA or comparable foreign regulations;
- challenges enforcing our contractual and intellectual property rights, especially in those foreign countries that do not respect and protect intellectual property rights to the same extent as the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

Furthermore, changes in laws or policies governing the terms of trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where we manufacture products, such as China, could have a material adverse effect on our business and financial results. The impact of these tariffs is subject to several factors, including the effective date and duration of such tariffs, changes in the amount, scope and nature of the tariffs in the future, any retaliatory responses to such actions that the target countries may take and any mitigating actions that may become available. Under the current U.S. administration, there is significant and

increasing uncertainty about the future relationship between the United States, China, and other exporting countries, including with respect to trade policies, treaties, government regulations, and tariffs. On April 9, 2025, President Trump announced a pause to previously announced tariffs on most countries for 90 days while the United States works with its trade partners to negotiate new trade agreements. On May 12, 2025, a new executive order was issued by President Trump to (i) suspend the previously imposed 34% reciprocal tariff on imports from China for a period of 90 days, through approximately August 12, 2025; (ii) eliminate the retaliatory tariff increases imposed on April 8 and April 9, which had raised the reciprocal tariff rate from 34% to 125%; and (iii) reinstate the 10% baseline tariff on imports originating from China, Hong Kong, and Macau for the duration of the 90-day period. On July 7, 2025, President Trump delayed imposition of new tariff rates until August 1, 2025, and sent letters to leaders of 14 countries with warnings that new higher tariff rates will come into effect unless they reach a trade agreement with the United States by August 1, 2025. Effective as of August 7, 2025, the United States implemented additional "reciprocal" duties on most imports, generally ranging from 15% to 40%. Notably with respect to China, the temporary 10% reciprocal rate was extended for an additional 90 days on August 12, 2025 through November 10, 2025, so Chinese-origin goods remain subject to the 10% reciprocal tariff (in addition to other applicable duties).

Despite recent trade negotiations between the U.S. and the Mexican, Canadian and Chinese governments, given the uncertainty regarding the scope and duration of any new tariffs, as well as the potential for additional tariffs or trade barriers by the U.S., Mexico, Canada, China or other countries, we can provide no assurance that any strategies we implement to mitigate the impact of such tariffs or other trade actions will be successful.

Additionally, geopolitical tensions and disruptions, such as the ongoing conflict between Russia and Ukraine, the wars between Israel and the terrorist groups Hamas and Hezbollah and escalating conflict and tensions with Iran, could impact our current and future international operations or our ability to seek approval of our product candidates outside of the United States. It is not possible to predict the broader consequences of these conflicts, which could include further sanctions, embargoes, greater regional instability, geopolitical shifts and other adverse effects on macroeconomic conditions, such as tariffs and trade disputes with other countries, inflation, rising interest rates, currency exchange rates, supply chain challenges and financial market conditions. These and other risks associated with our international operations may materially adversely affect our ability to attain or maintain profitable operations.

We face risks related to health epidemics and outbreaks, which could significantly disrupt our preclinical studies, affect enrollment of patients in our clinical trials or delay or prevent our receipt of necessary regulatory approvals.

We face risks related to health epidemics or outbreaks of communicable diseases. The outbreak of communicable diseases could result in a widespread health crisis that could adversely affect general commercial activity and the economies and financial markets of many countries. Health pandemics in the past have resulted in, and in the future may result in, governments implementing numerous containment measures, such as travel bans and restrictions, particularly quarantines, shelter-in-place or total lock-down orders and business limitations and shutdowns.

We are following, and plan to continue to follow, recommendations from federal, state and local governments regarding workplace policies, practices and procedures. We are complying with all applicable guidelines for our clinical trials, including remote clinical monitoring.

In addition, health epidemics in the past have had, and in the future may have, a severe effect on the clinical trials of many drug candidates of several sponsors. The extent to which any future health epidemics may impact our preclinical and clinical trial operations is uncertain and will depend on future developments. Disruptions or restrictions on our ability to travel to monitor data from our clinical trials, or to conduct clinical trials, or the ability of patients enrolled in our studies to travel, or the ability of staff at study sites to travel, as well as temporary closures of our facilities or the facilities of our clinical trial partners and their contract manufacturers, would negatively impact our clinical trial activities. In addition, we rely on independent clinical investigators, CROs and other third-party service providers to assist us in managing, monitoring and otherwise carrying out our preclinical studies and clinical trials, including the collection of data from our clinical trials, and an outbreak may affect their ability to devote sufficient time and resources to our programs or to travel to sites to perform work for us. Similarly, the expected timeline for data readouts of our preclinical studies and clinical trials and certain regulatory filings may be negatively impacted, which would adversely affect our ability to obtain regulatory approval for and to commercialize our product candidates, increase our operating expenses and have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks related to our dependence on third parties

We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of certain of our product candidates. If we fail to enter into such collaborations, or such collaborations are not

successful, we may not be able to capitalize on the market potential of our patented technology platform and resulting product candidates.

We have entered, and may in the future seek to enter, into collaborations with third parties for the development and commercialization of certain of our product candidates. For example, in September 2024 we entered into an agreement to license BA3362, a Nectin-4 x CD3 T cell engaging ("TCE") bispecific CAB antibody to Context Therapeutics, and subsequently amended this license in May 2026. In addition, we are currently exploring potential third-party collaborators for development and commercialization of select CAB product candidates. With respect to our collaborations, and what we expect will be the case with any future license or collaboration agreements, we have, and would expect to have, limited control over the amount and timing of resources that our existing or future collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our existing or future collaborators' willingness to select additional product candidates to license and their abilities and willingness to fulfill their payment obligations and successfully perform the functions assigned to them in these arrangements.

Our existing collaboration arrangements currently pose, and future collaborations involving our product candidates will pose, the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on preclinical or clinical trial results, changes in the collaborators' strategic focus due to their acquisition of competitive products or their internal development of competitive products, available funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators and other alliances could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidate, particularly if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- collaborators with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;
- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our product candidate or that result in costly litigation or arbitration that diverts management attention and resources;
- disputes may arise with respect to the ownership of any intellectual property developed pursuant to our collaborations;
- collaborators may not provide us with timely and accurate information regarding development, regulatory or commercialization status or results, which could adversely impact our ability to manage our own development efforts, accurately forecast financial results or provide timely information to our stockholders regarding our out-licensed product candidates;
- collaborations may be terminated and, if terminated, this may result in a need for additional capital to pursue further development or commercialization of the applicable current or future product candidates; and
- collaborators' sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

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

If our existing or future collaborators cease development efforts under our existing or future collaboration agreements, or if any of those agreements are terminated, we may lose committed funding under those agreements and these collaborations may fail to lead to commercial products and the reputation of our patented CAB technology platform may suffer.

Revenue from research and development collaborations depend upon continuation of the collaborations, initiation and expansion of the number of programs subject to the collaborations, the achievement of milestones and royalties, if any, derived from future products developed from our research. If we are unable to successfully advance the development of our product candidates or achieve milestones, revenue and cash resources from milestone payments under our existing or future collaboration agreements will be substantially less than expected.

Our ability to advance our product candidates may be limited by third parties on which we rely for certain technologies which we use in certain of our programs. If any third party developing our product candidates or other candidates based on our patented CAB technology platform experiences a delay or failure in development, regulatory approval or commercialization, even if such failure is not due to our CAB technology, it could reflect negatively on us, our other product candidates and our patented CAB technology platform. In addition, if one of our current or future collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators and our perception in the business and financial communities and our stock price could be adversely affected.

We may not be successful in establishing commercialization collaborations, which could adversely affect our ability to commercialize our product candidates, if approved.

From time to time, we may evaluate and, if strategically attractive, seek to enter into additional collaborations, including with major biotechnology or biopharmaceutical companies. The competition for collaborators is intense, and such arrangements are complex and time-consuming to negotiate, document, and implement and they may require substantial resources to maintain. Any new collaboration may be on terms that are not optimal for us, and we may not be able to maintain any new collaboration if, for example, development or approval of a product candidate is delayed, sales of an approved product candidate do not meet expectations or the collaborator terminates the collaboration.

In addition, it is possible that a collaborator may not devote sufficient resources to the commercialization of our product candidates or may otherwise fail in its commercialization efforts, in which event the commercialization of such product candidates could be delayed or terminated and our business could be substantially harmed. In addition, the terms of any collaboration or other arrangement that we establish may not be favorable to us or may not be perceived as favorable, which may negatively impact our business, financial condition, results of operations and prospects.

If third parties on which we rely to conduct our preclinical and clinical trials, do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our development programs could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects.

We rely, and expect we will continue to rely, on third-party investigators, CROs, data management organizations and consultants to conduct, supervise and monitor our ongoing clinical trials and preclinical studies. Because we rely on these third parties and do not have the ability to conduct preclinical studies or clinical trials independently, we have less control over the timing, quality and other aspects of preclinical studies and clinical trials than we would have had we conducted them on our own. These investigators, CROs and consultants are not our employees, and we will have limited control over the amount of time and resources that they dedicate to our development programs. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our development programs. The third parties with whom we contract might not be diligent, careful or timely in conducting our preclinical studies or clinical trials, resulting in the preclinical studies or clinical trials being delayed or unsuccessful.

If we do not contract with acceptable third parties on commercially reasonable terms, or at all, or if these third parties do not carry out their contractual duties, satisfy legal and regulatory requirements for the conduct of preclinical studies or clinical trials or meet expected deadlines, our development programs could be delayed and otherwise adversely affected. Furthermore, we depend on the availability of various animals to conduct certain preclinical studies that we are required to complete prior to submitting an IND and initiating clinical development or to continue clinical development, including pharmacological and toxicology evaluations. The availability of suitable animals can vary and impact our development timelines and cost. In all events, we are responsible for ensuring that each of our preclinical studies and clinical trials are conducted in accordance with the general investigational plan, protocols for the trial and regulatory requirements. The FDA requires preclinical studies to be conducted in accordance with GLPs and clinical trials to be conducted in accordance with GCPs, including for designing, conducting, recording and reporting the results of preclinical

studies and clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Our reliance on third parties that we do not control does not relieve us of these responsibilities and requirements. Any adverse development or delay in our preclinical studies and clinical trials could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We rely on third parties for the manufacture of our product candidates for preclinical studies and our ongoing clinical trials, and we expect to continue to do so for additional clinical trials and ultimately commercialization. This reliance on third parties increases the risk that we will not have sufficient quantities of our product candidates or products, if approved, or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We rely, and expect we will continue to rely, on third-party contract manufacturers to manufacture our preclinical and clinical trial product supplies and the raw materials used to create our product candidates. We do not own manufacturing facilities for producing such supplies, and we do not have long-term manufacturing agreements. Furthermore, the raw materials for our product candidates may be sourced, in some cases, from a single-source supplier. If we were to experience an unexpected loss of supply of any of our product candidates or any of our future product candidates for any reason, whether as a result of manufacturing, supply or storage issues or otherwise, we could experience delays, disruptions, suspensions or terminations of, or be required to restart or repeat, any pending or ongoing clinical trials. We cannot assure you that our preclinical and clinical development product supplies or raw materials will not be limited, interrupted, or be of satisfactory quality or continue to be available at acceptable prices. In particular, any replacement of a manufacturer could require significant effort and expertise because there are a limited number of qualified replacements. The technical skills or technology required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty transferring such skills or technology to another third party and a feasible alternative may not exist. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturer in order to have another third-party manufacture our product candidates.

If we apply for regulatory approval of any of our product candidates, the facilities used by our contract manufacturers to manufacture our product candidates will be subject to inspection by the FDA or other regulatory authorities. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or others or if they are unable to maintain a compliance status acceptable to the FDA or other regulatory authorities, approval of our product candidates may be delayed or we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved.

We expect to continue to rely on third-party manufacturers if we receive regulatory approval for any product candidate. If we are unable to obtain or maintain third-party manufacturing for product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our product candidates successfully. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the failure of the third party to manufacture our product candidates according to our schedule, or at all, including if our third-party contractors give greater priority to the supply of other products over our product candidates or otherwise do not satisfactorily perform according to the terms of the agreements between us and them;
- the reduction or termination of production or deliveries by suppliers, or the raising of prices or renegotiation of terms;
- the termination or nonrenewal of arrangements or agreements by our third-party contractors at a time that is costly or inconvenient for us;
- the breach by the third-party contractors of our agreements with them;
- the failure of third-party contractors to comply with applicable regulatory requirements;
- the failure of the third party to manufacture our product candidates according to our specifications;
- the mislabeling of clinical supplies, potentially resulting in the wrong dose amounts being supplied or active drug not being properly identified;
- clinical supplies not being delivered to clinical sites on time, leading to clinical trial interruptions, or of drug supplies not being distributed to commercial vendors in a timely manner, resulting in lost sales; and
- the misappropriation of our proprietary information, including our trade secrets and know-how.

In addition, we have no material long-term contracts with our suppliers, and we compete with other companies for raw materials and production. We may experience a significant disruption in the supply of raw materials from current sources or, in the event of a disruption, we may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. In addition, if we experience significant increased demand, or if we need to replace an existing supplier, we may be unable to locate additional supplies of raw materials on terms that are acceptable to us, or at all, or we may be unable to locate any supplier with

sufficient capacity to meet our requirements or to fill our orders in a timely manner. Identifying a suitable supplier is an involved process that requires us to become satisfied with their quality control, responsiveness and service, financial stability and labor and other ethical practices. Even if we are able to expand existing sources, we may encounter delays in production and added costs as a result of the time it takes to train suppliers in our methods, products and quality control standards.

The manufacture of biotechnology products is complex, and manufacturers often encounter difficulties in production. If we or any of our third-party manufacturers encounter any loss of materials or if any of our third-party manufacturers encounter other difficulties, or otherwise fail to comply with their contractual or regulatory obligations, our ability to provide product candidates for clinical trials or our products to patients, once approved, the development or commercialization of our product candidates could be delayed or stopped.

The manufacture of biotechnology products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. We and our contract manufacturers must comply with cGMPs, regulations and guidelines for the manufacturing of biologics used in clinical trials and, if approved, marketed products. In order to conduct clinical trials of our product candidates, we and existing and future collaborators will need to manufacture them in large quantities and in accordance with cGMPs. Manufacturers of biotechnology products often encounter difficulties in production, particularly in scaling up and validating initial production. In addition, if microbial, viral or other contaminations are discovered in our products or in the manufacturing facilities in which our products are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Delays in raw materials availability and supply may also extend the period of time required to develop our products. Furthermore, changes in our manufacturing methods may require comparability studies, including clinical bridging studies, which may result in delays to the approval process for our product candidates.

All of our therapeutic antibodies are manufactured by starting with cells from a cell bank. In accordance with cGMPs, we produce one master cell bank for each antibody manufactured, which is then stored in multiple locations to reduce the risk of loss. We have also created a working cell bank for certain manufactured antibodies. While we believe we will have adequate backup should any cell bank be lost in a catastrophic event, and we take precautions when transporting our cell banks, it is possible that we could lose multiple cell banks and have our manufacturing severely impacted by the need to replace the cell banks.

We cannot assure you that any stability or other issues relating to the manufacture of any of our product candidates or products will not occur in the future. Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide any product candidates to patients in planned clinical trials and products to patients, once approved, would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of planned clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to commence new clinical trials at additional expense or terminate clinical trials completely. Any adverse developments affecting clinical or commercial manufacturing of our product candidates or products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our product candidates or products or enforcement actions by regulatory authorities. We may also have to take inventory write-offs and incur other charges and expenses for product candidates or products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives. Accordingly, failures or difficulties faced at any level of our supply chain could adversely affect our business and delay or impede the development and commercialization of any of our product candidates or products and could have an adverse effect on our business, financial condition, results of operations and prospects.

Risks related to intellectual property

If we are not able to obtain, maintain and protect our intellectual property rights in any product candidates or technologies we develop, or if the scope of the intellectual property protection obtained is not sufficiently broad, third parties could develop and commercialize products and technology similar or identical to ours, and we may not be able to compete effectively in our market.

Our success depends in part on our ability to obtain and maintain patents and other forms of intellectual property rights, including in-licenses of intellectual property rights of others, for our product candidates, methods used to develop and manufacture our product candidates and methods for treating patients using our product candidates, as well as our ability to preserve our trade secrets, to prevent third parties from infringing upon our proprietary rights and to operate without infringing upon the proprietary rights of others. The patent process is expensive and time-consuming, and we may not be able to apply for patents on certain aspects of our product candidates in a timely fashion, at a reasonable cost, in all jurisdictions, or at all. Our existing issued and granted patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing products and technology. There is no guarantee that any of our pending patent applications will result in issued or granted patents, that any of our issued or granted patents will not later be found to be invalid or unenforceable or that any issued or granted patents will include claims that are sufficiently broad to cover our product candidates or to provide meaningful protection from our competitors.

Moreover, the patent position of biotechnology and biopharmaceutical companies can be highly uncertain because it involves complex legal and factual issues. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our current and future proprietary technology and product candidates are covered by valid and enforceable patents or are effectively maintained as trade secrets. If third parties disclose or misappropriate our proprietary rights, it may materially and adversely affect our position in the market. Furthermore, even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property, provide exclusivity for our product candidates, or prevent others from designing around our patent claims.

Once granted, patents may remain open to opposition, interference, re-examination, post-grant review, inter partes review, nullification or derivation action in court or before patent offices or similar proceedings for a given period after allowance or grant, during which time third parties can raise objections against granted patents. In the course of such proceedings, which may continue for a protracted period of time, the patent owner may be compelled to limit the scope of the allowed or granted patent claims thus attacked, or may lose the allowed or granted claims altogether. In the past we have been party to a patent opposition proceeding at the European Patent Office, or EPO, and we may in the future become party to patent opposition proceedings in the EPO or similar proceedings in other foreign patent offices. In addition, we cannot assure you that:

- We may obtain, maintain, protect and enforce intellectual property protection for our technologies and product candidates.
- Others will not or may not be able to make, use or sell compounds that are the same as or similar to our product candidates but that are not covered by the claims of the patents that we own or license.
- We or our licensors, or our existing or future collaborators are the first to make the inventions covered by each of our issued patents and pending patent applications that we own or license.
- We or our licensors, or our existing or future collaborators are the first to file patent applications covering certain aspects of our inventions.
- Others will not independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights.
- A third party may not challenge our patents and, if challenged, that a court would hold that our patents are valid, enforceable and infringed.
- Any issued patents that we own or have licensed will provide us with any competitive advantage, or will not be challenged by third parties.
- We may develop or in-license additional proprietary technologies that are patentable.
- Pending patent applications that we own or may license will lead to issued patents.
- The patents of others will not have a material or adverse effect on our business, financial condition, results of operations and prospects.
- Our competitors do not conduct research and development activities in countries where we do not have enforceable patent rights and then use the information learned from such activities to develop competitive products for sale in our commercial markets.

If the breadth or strength of protection provided by the patents and patent applications we hold, obtain or pursue with respect to our product candidates is challenged, or if they fail to provide meaningful exclusivity for our product candidates, it could threaten our ability to practice our technologies or commercialize our product candidates. We cannot offer any assurances about which, if any, patents will issue, the breadth of any such patent, or whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Furthermore, an interference or derivation proceeding can be provoked by a third party or instituted by a patent office or in a court proceeding, to determine who was the first to invent any of the subject matter covered by the patent claims of our applications.

Where we obtain licenses from third parties, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from third parties. We may also require the cooperation of our licensors to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. Moreover, if we do obtain necessary licenses, we will likely have obligations under those licenses, and any failure to satisfy those obligations could give our licensor the right to terminate the license. Termination of a necessary license could have a material adverse impact on our business.

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

In addition to seeking patent protection for certain aspects of our product candidates, we also consider trade secrets, including confidential and unpatented know-how important to the maintenance of our competitive position. We seek to protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants that obligate them to maintain confidentiality and assign their inventions to us. We also seek to preserve the integrity and confidentiality of our data, trade secrets and know-how by maintaining physical security of our premises and physical and electronic security of our information technology systems. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. We cannot guarantee that our trade secrets and other proprietary and confidential information will not be disclosed or that competitors will not otherwise gain access to our trade secrets. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the United States and certain foreign jurisdictions are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position could be harmed.

Trade secrets and know-how can be difficult to protect as trade secrets and know-how will over time be disseminated within the industry through independent development, the publication of journal articles, and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. If we are unable to prevent material disclosure of the intellectual property related to our technologies to third parties, we will not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, results of operations and financial condition. Even if we are able to adequately protect our trade secrets and proprietary information, our trade secrets could otherwise become known or could be independently discovered by our competitors. Competitors could willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, in the absence of patent protection, we would have no right to prevent them, or those to whom they communicate, from using that technology or information to compete with us. If our trade secrets are not adequately protected so as to protect our market against competitors' products, others may be able to exploit our product candidates and discovery technologies to identify and develop competing product candidates, and thus our competitive position could be adversely affected, as could our business.

The terms of our patents may not protect our competitive position on our product candidates for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years after its earliest U.S. non-provisional effective filing date. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Even if patents covering our technologies or product candidates are obtained, once the patent life has expired, we may be open to competition. Our issued patents will expire on dates ranging from 2030 to 2040, subject to any additional patent extensions that may be available for such patents. If patents are issued on our pending patent applications, the resulting patents are projected to expire on dates ranging from 2030 to 2044 plus any potential patent extensions that may be available for such patents. Due to the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

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

Depending upon the timing, duration and specifics of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, or the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. A maximum of one patent may be extended per FDA-approved product as compensation for the patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval and only those claims covering such approved drug product, a method for using it or a method for manufacturing it may be extended. Patent term extension may also be available in certain foreign countries upon regulatory approval of our product candidates. However, we may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to

expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request or require. If we are unable to obtain patent term extension or restoration or the term of any such extension is less than we request or require, our competitors may obtain approval of competing products following our patent expiration, and our revenue could be reduced, possibly materially. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

In September 2011, the Leahy-Smith America Invents Act, or Leahy-Smith Act, was signed into law. The Leahy-Smith Act includes several significant changes to U.S. patent law. These include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. In particular, under the Leahy-Smith Act, the United States transitioned in March 2013 to a "first inventor to file" system in which, assuming that other requirements of patentability are met, the first inventor to file a patent application will be entitled to the patent regardless of whether another party was first to invent the claimed invention. A third party that filed or files a patent application in the USPTO after March 2013 but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. This will require us to be cognizant going forward of the time from invention to filing of a patent application. Furthermore, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our technology and the prior art render our technology to be patentable over the prior art. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates or (ii) invent any of the inventions claimed in our patents or patent applications.

The Leahy-Smith Act also includes several significant changes that affect the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third-party submission of prior art to the USPTO during patent prosecution and the provision of additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including PGR, IPR and derivation proceedings. An adverse determination in any such submission or proceeding could reduce the scope or enforceability of, or invalidate, our patent rights, which could adversely affect our competitive position.

Because of the application of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard applied in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Thus, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the prosecution and defense of our or our licensors' patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Changes in U.S. patent law or laws in other countries could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves a high degree of technological and legal complexity. Therefore, obtaining and enforcing biopharmaceutical patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws or in the interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property and may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents. In addition, Congress or other foreign legislative bodies may pass patent reform legislation that is unfavorable to us.

For example, the U.S. Supreme Court has ruled on several patent cases in recent years, sometimes narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the U.S. federal courts, the USPTO or similar authorities in foreign jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and the patents we might obtain or license in the future.

Other companies or organizations may challenge our or our licensors' patent rights or may assert patent rights that prevent us from developing and commercializing our products.

CAB therapeutics are a new scientific field. We have obtained grants and issuances of CAB therapeutic patents and the various technologies used in discovering and producing CAB therapeutic proteins. The issued patents and pending patent applications in the United States and in key markets around the world that we own or license claim many different methods, compositions and processes relating to the discovery, development, manufacture and commercialization of antibody and immunoregulatory therapeutics. Specifically, we own a portfolio of patents, patent applications and other intellectual property covering CAB compositions of matter as well as their development and methods of use.

As the field of antibody and immunoregulatory therapeutics matures, patent applications are being processed by national patent offices around the world. There is uncertainty about which patents will issue, and, if they do, as to when, to whom, and with what claims. In addition, third parties may attempt to invalidate our intellectual property rights. Even if our rights are not directly challenged, disputes could lead to the weakening of our intellectual property rights. Our defense against any attempt by third parties to circumvent or invalidate our intellectual property rights could be costly to us, could require significant time and attention of our management and could have a material and adverse effect on our business, financial condition, results of operations and prospects or our ability to successfully compete.

There are many issued and pending patents that claim aspects of our product candidates and modifications that we may need to apply to our product candidates. There are also many issued patents that claim antibodies or portions of antibodies that may be relevant for CAB products we wish to develop. Thus, it is possible that one or more organizations will hold patent rights to which we will need a license. If those organizations refuse to grant us a license to such patent rights on reasonable terms, we may not be able to market products or perform research and development or other activities covered by these patents.

Intellectual property rights of third parties could prevent or delay our drug discovery and development efforts and could adversely affect our ability to commercialize our product candidates, and we might be required to litigate or obtain licenses from third parties in order to discover, develop or market our product candidates. Such litigation or licenses could be costly or not available on commercially reasonable terms.

Our commercial success depends in part on our ability to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing or otherwise violating the patents and proprietary rights of third parties. There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, derivation proceedings, post grant reviews, inter partes reviews, and reexamination proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. Given the vast number of patents in our field of technology, we cannot assure you that marketing of our product candidates or practice of our technologies will not infringe existing patents or patents that may be granted in the future. Because the antibody landscape is still evolving and the CAB antibody landscape is a new field, it is difficult to conclusively assess our freedom to operate without infringing on third-party rights. There are numerous companies that have pending patent applications and issued patents broadly covering many aspects of antibodies generally or covering antibodies directed against the same targets as, or targets similar to, those we are pursuing. Our competitive position may suffer if patents issued to third parties or other third-party intellectual property rights cover our products or product candidates or elements thereof, or our manufacture or uses relevant to our development plans. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of any of our product candidates, any molecules formed during the manufacturing process or any final product or formulation itself, the holders of any such patents may be able to block our ability to commercialize such product candidate. In such cases, we may not be in a position to develop or commercialize products or product candidates unless we successfully pursue litigation to nullify or invalidate the third-party intellectual property right concerned, or enter into a license agreement with the intellectual property right holder, if available on commercially reasonable terms. Parties making claims against us may obtain injunctive or other equitable relief, which could effectively block our ability to further practice our technologies or develop and commercialize one or more of our product candidates. There may be issued patents of which we are not aware, held by third parties that, if found to be valid and enforceable, could be alleged to be infringed by our CAB technologies. There also may be pending patent applications of which we are not aware that may result in issued patents, which could be alleged to be infringed by our CAB technologies. If such an infringement claim should be brought and be successful, we may be required to pay substantial damages, be forced to abandon our product candidates or seek a license from any patent holders, and would most likely be required to pay license fees or royalties or both, each of which could be substantial. No assurances can be given that a license will be available on commercially reasonable terms, if at all. Even if we were able to obtain a license, the rights we obtain may be nonexclusive, which would provide our competitors access to the same intellectual property rights upon which we are forced to rely. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates or technologies may give rise to claims of infringement of the patent rights of others.

We or our collaboration partner, or any future strategic partners may be subject to third-party claims for infringement or misappropriation of patent or other proprietary rights. If we or our licensors, or any future strategic partners are found to infringe a third-party patent or other intellectual property rights, we could be required to pay damages, potentially including treble damages, if

we are found to have willfully infringed. In addition, we or our licensors, or any future strategic partners may choose to seek, or be required to seek, a license from a third party, which may not be available on acceptable terms, if at all. Even if a license can be obtained on acceptable terms, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. If we fail to obtain a required license, we or our existing or future collaborators may be unable to effectively market product candidates based on our technology, which could limit our ability to generate revenue or achieve profitability and possibly prevent us from generating revenue sufficient to sustain our operations. In addition, we may find it necessary to pursue claims or initiate lawsuits to protect or enforce our patent or other intellectual property rights. The cost to us in defending or initiating any litigation or other proceeding relating to patent or other proprietary rights, even if resolved in our favor, could be substantial, and litigation would divert our management's attention. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could delay our research and development efforts and limit our ability to continue our operations.

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

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction. For example, U.S. applications filed before November 29, 2000, and certain U.S. applications filed after that date that will not be filed outside the United States, remain confidential until patents issue. Patent applications in the United States and elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our product candidates or technologies could have been filed by others without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our platform technologies, our products or the use of our products. Third-party intellectual property right holders may also actively bring infringement claims against us, even if we have received patent protection for our technologies and product candidates. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. We may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our product candidates.

If we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we are unable to successfully settle future claims on terms acceptable to us, we may be required to engage in or continue costly, unpredictable and time-consuming litigation and may be prevented from or experience substantial delays in marketing our products. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our product candidates that are held to be infringing. We might, if possible, also be forced to redesign product candidates or our technologies so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

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

We may also be subject to claims that former employees, collaborators or other third parties have an ownership interest in our patents or other intellectual property. We may have ownership disputes in the future arising, for example, from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful, and issued patents covering our product candidates could be found invalid or unenforceable if challenged in court in the United States or abroad.

Competitors may infringe our patents or the patents of our licensors. If we were to initiate legal proceedings against a third party to enforce a patent covering one of our products or our technology, the defendant could counterclaim that our patent is invalid or unenforceable, or the court may refuse to stop the defendant in such infringement proceeding from using the technology at issue on the

grounds that our patents do not cover the technology in question. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more of our products or certain aspects of our platform technology. Such a loss of patent protection could have a material and adverse effect on our business, financial condition, results of operations and prospects. Patents and other intellectual property rights also will not protect our technology if competitors design around our protected technology without legally infringing our patents or other intellectual property rights.

Interference or derivation proceedings provoked by third parties or brought by us, the USPTO or any foreign patent authority may be necessary to determine the priority and/or ownership of inventions with respect to our patents or patent applications or those of our licensors. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, if any license is offered at all. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees.

We may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property, trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

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

Obtaining a valid and enforceable issued or granted patent covering our technology in the United States and worldwide can be extremely costly. In jurisdictions where we have not obtained patent protection, competitors may use our technology to develop their own products and further, may export otherwise infringing products to territories where we have patent protection, but where it is more difficult to enforce a patent as compared to the United States. Competitor products may compete with our future products in jurisdictions where we do not have issued or granted patents or where our issued or granted patent claims or other intellectual property rights are not sufficient to prevent competitor activities in these jurisdictions. The legal systems of certain countries, particularly certain developing countries, make it difficult to enforce patents and such countries may not recognize other types of intellectual property protection, particularly that relating to biopharmaceuticals. This could make it difficult for us to prevent the infringement of our patents or marketing of competing products in violation of our proprietary rights in certain jurisdictions. Proceedings to enforce our patent rights in foreign jurisdictions, regardless of whether they are successful, could result in substantial cost and divert our efforts and attention from other aspects of our business. Similarly, if our trade secrets are disclosed in a foreign jurisdiction, competitors worldwide could have access to our proprietary information and we may be without satisfactory recourse. Such disclosure could have a material adverse effect on our business. Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

We generally file a provisional patent application first (a priority filing) at the USPTO. An international application under the Patent Cooperation Treaty ("PCT") is usually filed within 12 months after the priority filing. Based on the PCT filing, national and regional patent applications may be filed in the United States, Europe, Japan, Australia and Canada and, depending on the individual case, also in any or all of, *inter alia*, Brazil, China, Hong Kong, India, Israel, Mexico, New Zealand, Russia, South Africa, South Korea and other jurisdictions. We have so far not filed for patent protection in all national and regional jurisdictions where such protection may be available. In addition, we may decide to abandon national and regional patent applications before grant. Finally, the grant proceeding of each national or regional patent is an independent proceeding which may lead to situations in which applications might in some jurisdictions be refused by the relevant registration authorities, while granted in other jurisdictions. It is also quite common that depending on the country, various scopes of patent protection may be granted on the same product candidate or technology. Furthermore, while we intend to protect our intellectual property rights in our expected significant markets, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our product candidates. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate, which may have an adverse effect on our ability to successfully commercialize our product candidates in all of our expected significant foreign markets.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the United States, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The

requirements for patentability differ, in varying degrees, from country to country, and the laws of some foreign countries do not protect intellectual property rights, including trade secrets, to the same extent as federal and state laws of the United States. If we or our licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for our business in such jurisdictions, the value of these rights may be diminished and we may face additional competition from others in those jurisdictions. Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position in the relevant jurisdiction may be impaired and our business and results of operations may be adversely affected.

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

Litigation or other legal proceedings relating to intellectual property claims, with or without merit, is unpredictable and generally expensive and time-consuming and is likely to divert significant resources from our core business, including distracting our technical and management personnel from their normal responsibilities. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities.

We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating or from successfully challenging our intellectual property rights. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

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

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

We may not be successful in obtaining or maintaining necessary rights to our product candidates through acquisitions and in-licenses.

We may find that our programs require the use of proprietary rights held by third parties, and the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. We may be unable to acquire or in-license compositions, methods of use, processes or other third-party intellectual property rights from third parties that we identify as necessary for our product candidates. The licensing and acquisition of third-party intellectual property rights is a competitive area, and more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, financial resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Moreover, collaboration arrangements are complex and time-consuming to negotiate, document, implement and maintain. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements should we choose to enter into such arrangements. We also may be unable to license or acquire third-party intellectual

property rights on terms that that would be favorable to us or would allow us to make an appropriate return on our investment. Even if we are able to obtain a license to intellectual property of interest, we may not be able to secure exclusive rights, in which case others could use the same rights and compete with us.

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

The USPTO and various foreign governmental patent agencies require compliance with several procedural, documentary, fee payment and other provisions during the patent process. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. We employ reputable law firms and other professionals and rely on such third parties to help us comply with these requirements and effect payment of these fees with respect to the patents and patent applications that we own, and if we in-license intellectual property we may have to rely upon our licensors to comply with these requirements and effect payment of these fees with respect to any patents and patent applications that we license. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case. The standards applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in biotechnology and biopharmaceutical patents. As such, we do not know the degree of future protection that we will have on our technologies and product candidates. While we will endeavor to try to protect our technologies and product candidates with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time-consuming, expensive and sometimes unpredictable.

We may be subject to claims that we or our employees or consultants have wrongfully used or disclosed alleged trade secrets of our employees' or consultants' former employers or their clients. These claims may be costly to defend and if we do not successfully do so, we may be required to pay monetary damages and may lose valuable intellectual property rights or personnel.

Many of our employees were previously employed at universities or biotechnology or biopharmaceutical companies, including our competitors or potential competitors. Although no claims against us are currently pending, we may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. A loss of key research personnel or their work product could hamper our ability to commercialize, or prevent us from commercializing, our product candidates, which could severely harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

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

Our trademarks or trade names may be challenged, infringed, circumvented, declared generic or determined to be infringing on other marks. We only have one currently registered trademark and rely on common law protection for the rest of our trademarks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During trademark registration proceedings, we may receive rejections. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

Risks related to our common stock

Our operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause our stock price to fluctuate or decline.

We expect our operating results to be subject to annual and quarterly fluctuations. Our net loss and other operating results will be affected by numerous factors, including, among others:

- variations in the level of expense related to the ongoing development of our product candidates or future development programs;

- results of preclinical studies and clinical trials, or the addition or termination of clinical trials;
- the success of our existing collaborations and any potential additional collaborations, licensing or similar arrangements;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- additions and departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- if any of our product candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such product candidates;
- regulatory developments affecting our product candidates or those of our competitors; and
- changes in general market and economic conditions.

If our operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any fluctuations in our operating results may, in turn, cause the price of our stock to fluctuate substantially.

Our stock price may be volatile, and you could lose all or part of your investment.

The trading price of our common stock has been and is likely to continue to be highly volatile. The market price for our common stock may be influenced by many factors, including the other risks described in this section and the following:

- the timing and results of our clinical trials or those of our competitors;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our products;
- the success of competitive products or technologies;
- introductions and announcements of new products by us, our current or future collaborators or our competitors, and the timing of these introductions or announcements;
- announcements of new collaboration agreements, or the restructuring or termination of current collaboration agreements;
- actions taken by regulatory authorities with respect to our products, preclinical studies, clinical trials, manufacturing process or sales and marketing terms;
- actual or anticipated variations in our financial results or those of companies that are perceived to be similar to us;
- the success of our efforts to acquire or in-license additional technologies, products or product candidates;
- developments concerning any future collaborations, including those regarding manufacturing, supply and commercialization of our products;
- market conditions in the pharmaceutical and biotechnology sectors;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures or capital commitments;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our products;
- our ability or inability to raise additional capital and the terms on which we raise it;
- the recruitment or departure of key personnel;
- changes in the structure of healthcare payment systems;
- actual or anticipated changes in earnings estimates or changes in stock market analysts' recommendations regarding our common stock, other comparable companies or our industry generally;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;

- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement and expectation of additional financing efforts;
- speculation in the press or investment community;
- trading volume of our common stock;
- sales of our common stock by us, our insiders or our other stockholders;
- expiration of market stand-off or lock-up agreements;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- the impact of any natural disasters or public health emergencies; and
- general economic, industry and market conditions.

In addition, the stock markets in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme volatility that has been often unrelated to the operating performance of the issuer. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our operating performance.

The future issuance of equity or of debt securities that are convertible into equity will dilute our share capital.

We will need to raise additional capital in the future. To the extent we raise additional capital through the issuance of equity or convertible debt securities in the future, there will be further dilution to investors and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights.

On December 19, 2024, we completed a registered direct offering (the "Registered Direct Offering") with certain institutional investors, where we issued an aggregate of (a) 193,581 shares of our common stock and (b) warrants to purchase 193,581 shares of our common stock (the "Warrants"). The Warrants became exercisable on June 20, 2025 at an initial exercise price of $59.50 per share, subject to certain adjustments including for reverse stock splits and share consolidations. As a result of the April 6, 2026 Share Consolidation, the exercise price of the warrants was adjusted to $4.35 per share. Once the Warrants are exercised, the issuance of additional shares of our common stock would cause immediate and substantial dilution to our existing shareholders and could cause a significant reduction in the market price of our common stock.

In November 2025, we entered into the PPAs and the SEPA (each as defined herein). The issuances of the PPA Shares (as defined herein) to date caused immediate and substantial dilution to our existing shareholders. In addition, any future issuances of SEPA Shares (as defined herein) may cause immediate and substantial dilution to our existing shareholders and could cause a significant reduction in the market price of our common stock.

Future issuances of our common stock or other equity securities, or the perception that such sales may occur, could adversely affect the trading price of our common stock and impair our ability to raise capital through future offerings of shares or equity securities. We may choose to raise additional capital through the issuance of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. No prediction can be made as to the effect, if any, that future sales of common stock or the availability of common stock for future sales will have on the trading price of our common stock.

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

The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us, our business or our market. If no or few securities or industry analysts commence or maintain coverage of us, the trading price for our stock would be negatively impacted. If any of the analysts who cover us issue adverse or misleading research or reports regarding us, our business model, our intellectual property, our stock performance or our market, or if our operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval and their interests may conflict with your interests as an owner of our common stock.

As of June 30, 2026, executive officers and directors, together with holders of 5% or more of our outstanding common stock and their respective affiliates, beneficially own approximately 26.1% of our outstanding common stock. More specifically, Jay M. Short, Ph.D, our Chairman and Chief Executive Officer, together with his spouse, beneficially own approximately 5.4%, of our outstanding common stock, as of June 30, 2026.

As a result, Dr. Short and our other principal stockholders will continue to have significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets and any other significant corporate transaction. The interests of these stockholders may not be the same as or may even conflict with your interests. For example, these stockholders could delay or prevent a change of control of our company, even if such a change of control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or our assets and might affect the prevailing market price of our common stock. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

In addition, we have entered into certain related party transactions with Himalaya Therapeutics SEZC, Inversagen, LLC and BioAtla Holdings, LLC, including various licensing arrangements with respect to certain CAB antibodies. Dr. Short and his spouse are each a manager of Inversagen, LLC and BioAtla Holdings, LLC and a director of Himalaya Therapeutics SEZC. In addition, Dr. Short's spouse is also an officer of Himalaya Therapeutics SEZC. These related party transactions, and any future related party transactions, create the possibility of actual conflicts of interest with regard to Dr. Short.

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

Our common stock price could decline as a result of sales of a large number of shares of common stock or the perception that these sales could occur. These sales, or the possibility that these sales may occur, might also make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate.

All of our outstanding shares of common stock are freely tradable without restriction or further registration under the Securities Act unless held by our "affiliates" as defined in Rule 144 under the Securities Act, or Rule 144. Shares issued upon the exercise of stock options and warrants outstanding under our equity incentive plans or pursuant to future awards granted under those plans will become available for sale in the public market to the extent permitted by Rules 144 and 701 under the Securities Act.

We registered the offer and sale of all shares of common stock that we may issue under our equity compensation plans, which shares will be able to be sold in the public market upon issuance, subject to applicable securities laws.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in the amended and restated certificate of incorporation and our amended and restated bylaws may delay or prevent an acquisition of us or a change in our management. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Because our board of directors is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. These provisions include:

- a prohibition on actions by our stockholders by written consent;
- a requirement that special meetings of stockholders be called only by the chairman of our board of directors, our chief executive officer, or our board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors;
- advance notice requirements for election to our board of directors and for proposing matters that can be acted upon at stockholder meetings;
- a requirement that directors may only be removed "for cause" and only with 66 2/3% voting stock of our stockholders;
- a requirement that only the board of directors may change the number of directors and fill vacancies on the board;
- division of our board of directors into three classes, serving staggered terms of three years each; and
- the authority of the board of directors to issue preferred stock with such terms as the board of directors may determine.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, as amended, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. These provisions would apply even if the proposed merger or acquisition could be considered beneficial by some stockholders.

The Company's ability to attract and retain qualified members of our board of directors may be impacted due to new laws, including recently enacted diversity quotas.

In September 2018, California enacted SB 826 ("SB 826") requiring public companies headquartered in California with a board of directors having five members to have at least two female directors, and public company boards with six or more members to have at least three female directors. SB 826 has been challenged in legal proceedings and on May 13, 2022, the Superior Court of California for the County of Los Angeles entered an order striking down SB 826, holding that the statute violates the Equal Protection Clause of the California Constitution. The California Secretary of State has appealed the order and such appeal is currently pending. On September 16, 2022, the appellate court ruled to temporarily stay enforcement of the trial court's order, which prevented the California Secretary of State from collecting diversity data on corporate disclosure forms pursuant to SB 826, pending a further order of the appellate court. On December 1, 2022, the appellate court vacated the temporary stay order and on February 3, 2023, a record on appeal was filed and such appeal is currently pending. To the extent that this ruling of the appellate court permits the Secretary of State of California to collect and report diversity data, we may be required to comply with additional disclosure requirements. However, ultimate enforceability of SB 826 remains uncertain.

In September 2020, California enacted AB 979 ("AB 979"), which requires that by the end of 2021 California-headquartered public companies have at least one director on their boards who is from an underrepresented community, defined as "an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender." On April 1, 2022, the Superior Court of California for the County of Los Angeles entered an order striking down AB 979, holding that the statute violates the Equal Protection Clause of the California Constitution. On June 6, 2022, a notice of appeal was filed. On September 16, 2022, the appellate court ruled to temporarily stay enforcement of the trial court's order, which prevented the California Secretary of State from collecting diversity data on corporate disclosure forms pursuant to AB 979, pending a further order of the appellate court. On December 1, 2022, the appellate court vacated the temporary stay order and on February 3, 2023, a record on appeal was filed and such appeal is currently pending. To the extent that this ruling of the appellate court permits the Secretary of State of California to collect and report diversity data, we may be required to comply with additional disclosure requirements. In June 2023, the federal district court for the Eastern District of California granted the plaintiffs a summary judgment and determined that AB 979 was unconstitutional on its face. The Eastern District of California's decision is currently on appeal. Litigation regarding AB 979 will continue.

Failure to achieve designated minimum gender and diversity levels in a timely manner exposes such companies to financial penalties and reputational harm. While we are currently in compliance with these regulations, we cannot assure that we can recruit, attract and/or retain qualified members of the board and meet gender and diversity quotas as a result of evolving state laws or Nasdaq rules, which may expose us to penalties and/or reputational harm.

We have incurred, and will continue to incur, significant costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives and corporate governance practices. Additionally, if we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Capital Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Also, the Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities, including obtaining director and officer liability insurance and maintaining such coverage, more time-consuming and costly. These rules and regulations could also make it more difficult for us to attract and retain qualified members of our board of directors or our board committees or as executive officers. However, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

In addition, as a public company, we are required to incur costs and obligations in order to comply with SEC rules that implement Section 404 of the Sarbanes-Oxley Act. Currently, as a smaller reporting company and a non-accelerated filer, we can take advantage of exemptions from various reporting requirements, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our annual report, periodic reports and proxy statements and providing only two years of audited financial statements in our annual report and periodic reports. Under the SEC rules, we are required to make a formal assessment of the effectiveness of our internal control over financial reporting, and if we cease to be a smaller reporting company, we will be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. We engaged outside consultants to assist in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we have dedicated, and will continue to dedicate, internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of our internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are designed and operating effectively, and implement a continuous reporting and improvement process for internal control over financial reporting. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, operating results, and financial condition. Since becoming a public company, we increased, and may in the future further increase, the number of employees dedicated to finance and reporting, and the services of outside consultants to meet requirements, which has increased our operating expenses.

The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation to meet the detailed standards under the rules. During the course of its testing, our management may identify material weaknesses or deficiencies which may not be remedied in time to meet the deadline imposed by the Sarbanes-Oxley Act. Our internal control over financial reporting may not prevent or detect all errors and all fraud.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain proper and effective internal controls, we may not be able to produce timely and accurate financial statements. If that were to happen, the market price of our stock could decline and we could be subject to sanctions or investigations by the stock exchange on which our common stock is listed, the SEC or other regulatory authorities. In addition, if we are not able to continue to meet these requirements, we may not be able to remain listed on The Nasdaq Capital Market.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the facts that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, your ability to achieve a return on your investment will depend on appreciation of the value of our common stock.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to any appreciation in the value of our common stock, which is not certain.

We may be subject to securities litigation, which is expensive and could divert our management's attention.

In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Regardless of the merits or the ultimate results of such litigation, securities litigation brought against us could result in substantial costs and divert our management's attention from other business concerns.

Our certificate of incorporation and bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for the following types of proceedings: (i) any derivative action or proceeding brought on behalf of our company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to our company or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware or as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim arising pursuant to any provision of our amended and restated certificate of incorporation or amended and restated bylaws (in each case, as they may be amended from time to time) or governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. Our amended and restated bylaws further provide that the federal district courts of the United States of America will be the exclusive forum, to the fullest extent permitted by law, for resolving any complaint asserting a cause of action arising under the Securities Act. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation and amended and restated bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation and amended and restated bylaws described above.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During the three months ended June 30, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

First Amendment to EXUMA License Agreement

On August 12, 2026 (the "Effective Date"), we entered into the First Amendment (the "First Amendment") to the Amended and Restated Exclusive License Agreement, dated November 22, 2019 (the "EXUMA License Agreement"), with EXUMA Biotech Corp. (formerly F1 Oncology, Inc.), a Delaware corporation ("EXUMA"), covering certain CAR-T therapies. Under the terms of the First Amendment, and in full consideration for the license and other rights granted by the Company under the EXUMA License Agreement, EXUMA has agreed to pay us $250,000 in immediately available funds within two (2) business days of the Effective Date (the "Amendment Pay-Off Amount"). The Amendment Pay-Off Amount satisfies in full any and all royalty payment obligations contemplated by the EXUMA License Agreement. Under the terms of the First Amendment, the exclusive license granted to EXUMA under the EXUMA License Agreement is amended to be royalty-free, fully paid-up, irrevocable, perpetual and non-terminable, and EXUMA shall be responsible for all Joint Patent (as defined in the EXUMA License Agreement) costs, whether currently outstanding or due in the future.

The above description of the First Amendment is qualified in its entirety by reference to the full text of the First Amendment, a copy of which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending September 30, 2026.

Item 6. Exhibits.

Exhibit Number	Description	Form	File No.	Exhibit	Exhibit Filing Date	File/Furnished Herewith
10.1*	First Amendment to the License Agreement between BioAtla, Inc. and Context Therapeutics Inc., dated as of May 14, 2026	10-Q	001-39787	10.3	05-15-2026	
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1†	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
99.1	Amendment No. 1 to Agreement and Plan of Merger, dated as of March 2, 2026, by and between BioAtla, Inc. and BA Merger Sub, Inc.	8-K	001-39787	1.1	03-02-2026	
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	The following materials from BioAtla's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) the Condensed Balance Sheets, (ii) the Condensed Statements of Operations and Comprehensive Income (Loss), (iii) the Condensed Statements of Stockholders' Equity (Deficit), (iv) the Condensed Statements of Cash Flows, and (v) Notes to Condensed Financial Statements, tagged as blocks of text and including detailed tags.					X
104	Cover Page Interactive Data File (formatted as Inline XBRL document and contained in exhibit 101).					X

† Furnished and not filed.

* Portions of this exhibit have been omitted or redacted in accordance with Item 601(a)(5) or Item 601(b)(10)(iv) of Regulation S-K.

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.

BioAtla, Inc.

Date: August 13, 2026

By: /s/ Jay M. Short, Ph.D.
Jay M. Short, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2026

By: /s/ Christian Vasquez
Christian Vasquez
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

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

I, Jay M. Short, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BioAtla, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in the 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 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

By: /s/ Jay M. Short, Ph.D.
Jay M. Short, Ph.D.
Chief Executive Officer and Director

Exhibit 31.2

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

I, Christian Vasquez, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BioAtla, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), and internal control over financial reporting (as defined in the 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 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2026

By: /s/ Christian Vasquez
Christian Vasquez
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of BioAtla, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 13, 2026

By: /s/ Jay M. Short, Ph.D.
Jay M. Short, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

Date: August 13, 2026

By: /s/ Christian Vasquez
Christian Vasquez
Chief Financial Officer
(Principal Financial and Accounting Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.