

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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, 2022

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: 001-38890

Quince Therapeutics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

**601 Gateway Boulevard, Suite 1250.
South San Francisco, California**
(Address of principal executive offices)

90-1024039

(I.R.S. Employer
Identification No.)

94080

(Zip Code)

Registrant's telephone number, including area code: (415) 910-5717

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	QNCX	Nasdaq Global Select 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

As of August 3, 2022, the registrant had 36,104,130 shares of common stock, \$0.001 par value per share, outstanding.

Table of Contents

	<u>Page</u>
PART I.	
	<u>FINANCIAL INFORMATION</u>
Item 1.	<u>Financial Statements (Unaudited)</u> 1
	<u>Condensed Consolidated Balance Sheets</u> 1
	<u>Condensed Consolidated Statements of Operations and Comprehensive Loss</u> 2
	<u>Condensed Consolidated Statements of Stockholders' Equity</u> 3
	<u>Condensed Consolidated Statements of Cash Flows</u> 5
	<u>Notes to Unaudited Condensed Consolidated Financial Statements</u> 6
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u> 24
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u> 38
Item 4.	<u>Controls and Procedures</u> 39
PART II.	
	<u>OTHER INFORMATION</u>
Item 1.	<u>Legal Proceedings</u> 40
Item 1A.	<u>Risk Factors</u> 40
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u> 86
Item 3.	<u>Defaults Upon Senior Securities</u> 86
Item 4.	<u>Mine Safety Disclosures</u> 86
Item 5.	<u>Other Information</u> 86
Item 6.	<u>Exhibits</u> 87
	<u>Signatures</u> 89

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Quince Therapeutics, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(In thousands, except share and per share amounts)

	June 30, 2022	December 31, 2021 (1)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 46,928	\$ 69,724
Short term investments	47,736	37,078
Prepaid expenses and other current assets	4,706	4,871
Total current assets	99,370	111,673
Property and equipment, net	364	263
Operating lease right-of-use assets, net	328	1,165
Long term investments	11,029	19,933
Goodwill	825	—
Intangible asset	5,900	—
Other assets	47	194
Total assets	\$ 117,863	\$ 133,228
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,867	\$ 4,911
Accrued expenses and other current liabilities	4,083	9,311
Total current liabilities	5,950	14,222
Long-term financing lease liabilities	38	—
Long-term operating lease liabilities	95	420
Deferred tax liabilities	248	—
Total liabilities	6,331	14,642
Stockholders' equity:		
Preferred stock, \$0.001 par value, 10,000,000 authorized, no shares issued and outstanding as of June 30, 2022 and December 31, 2021	—	—
Common stock, \$0.001 par value, 100,000,000 shares authorized, 35,977,688 and 30,074,412 issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	36	30
Additional paid in capital	386,766	355,234
Accumulated other comprehensive loss	(466)	(79)
Accumulated deficit	(274,804)	(236,599)
Total stockholders' equity	111,532	118,586
Total liabilities and stockholders' equity	\$ 117,863	\$ 133,228

(1) The balance sheet as of December 31, 2021 is derived from the audited financial statements as of that date

See accompanying notes.

Quince Therapeutics, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(In thousands, except share and per share amounts)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Operating expenses:				
Research and development	\$ 7,199	\$ 14,719	\$ 19,960	\$ 31,543
General and administrative	9,059	7,064	18,116	13,553
Total operating expenses	<u>16,258</u>	<u>21,783</u>	<u>38,076</u>	<u>45,096</u>
Loss from operations	(16,258)	(21,783)	(38,076)	(45,096)
Interest income	145	160	217	387
Other expense, net	(735)	(131)	(630)	(131)
Net loss before income tax benefit	(16,848)	(21,754)	(38,489)	(44,840)
Income tax benefit	284	—	284	—
Net loss	<u>(16,564)</u>	<u>(21,754)</u>	<u>(38,205)</u>	<u>(44,840)</u>
Other comprehensive income (loss):				
Foreign currency translation adjustments	250	—	137	—
Unrealized loss on available for sales securities	(210)	(72)	(524)	(196)
Total comprehensive loss	<u>\$ (16,524)</u>	<u>\$ (21,826)</u>	<u>\$ (38,592)</u>	<u>\$ (45,036)</u>
Net loss per share - basic and diluted	<u>\$ (0.51)</u>	<u>\$ (0.74)</u>	<u>\$ (1.22)</u>	<u>\$ (1.52)</u>
Weighted average shares of common stock outstanding - basic and diluted	<u>32,467,000</u>	<u>29,587,352</u>	<u>31,307,166</u>	<u>29,571,226</u>

See accompanying notes.

Quince Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands, except share and per share amounts)

For the three months ended June 30, 2022 and 2021							
	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income / (Loss)	Accumulated Deficit	Total Stockholders' Equity	
	Shares	Amount					
Balance March 31, 2022	30,149,570	\$ 30	\$ 365,096	\$ (506)	\$ (258,240)	\$ 106,380	
Issuance of common stock on exercise of stock options and vesting of restricted stock units	308,118	—	121	—	—	121	
Stock based compensation	—	—	5,051	—	—	5,051	
Share issuance in connection with acquisition of Novosteo, Inc.	5,520,000	6	16,498	—	—	16,504	
Foreign currency translation adjustment	—	—	—	250	—	250	
Other comprehensive loss	—	—	—	(210)	—	(210)	
Net loss	—	—	—	—	\$ (16,564)	(16,564)	
Balance June 30, 2022	<u>35,977,688</u>	<u>\$ 36</u>	<u>\$ 386,766</u>	<u>\$ (466)</u>	<u>\$ (274,804)</u>	<u>\$ 111,532</u>	
Balance March 31, 2021	29,575,944	\$ 29	\$ 326,006	\$ 189	\$ (169,740)	\$ 156,484	
Exercise of stock options	79,842	1	671	—	—	672	
Stock based compensation	—	—	6,750	—	—	6,750	
Other comprehensive loss	—	—	—	(72)	—	(72)	
Net loss	—	—	—	—	\$ (21,754)	(21,754)	
Balance June 30, 2021	<u>29,655,786</u>	<u>\$ 30</u>	<u>\$ 333,427</u>	<u>\$ 117</u>	<u>\$ (191,494)</u>	<u>\$ 142,080</u>	

See accompanying notes.

Quince Therapeutics, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands, except share and per share amounts)

	For the six months ended June 30, 2022 and 2021					
	Common Stock		Additional Paid in Capital	Other Comprehensive Income / (Loss)	Accumulated Deficit	Shareholders' Equity
	Shares	Amount				
Balance January 1, 2022	30,074,412	\$ 30	\$ 355,234	\$ (79)	\$ (236,599)	\$ 118,586
Issuance of common stock in connection with open market sales agreement, net of issuance costs of \$19	51,769	—	608	—	—	608
Issuance of common stock on exercise of stock options and vesting of restricted stock units	331,507	—	134	—	—	134
Stock based compensation	—	—	14,292	—	—	14,292
Share issuance in connection with acquisition of Novosteo, Inc.	5,520,000	6	16,498	—	—	16,504
Foreign currency translation adjustment	—	—	—	137	—	137
Other comprehensive loss	—	—	—	(524)	—	(524)
Net loss	—	—	—	—	(38,205)	(38,205)
Balance June 30, 2022	<u>35,977,688</u>	<u>\$ 36</u>	<u>\$ 386,766</u>	<u>\$ (466)</u>	<u>\$ (274,804)</u>	<u>\$ 111,532</u>
Balance January 1, 2021	29,543,222	\$ 29	\$ 318,574	\$ 313	\$ (146,654)	\$ 172,262
Exercise of stock options	112,564	1	1,112	—	—	1,113
Stock based compensation	—	—	13,741	—	—	13,741
Other comprehensive loss	—	—	—	(196)	—	(196)
Net loss	—	—	—	—	(44,840)	(44,840)
Balance June 30, 2021	<u>\$ 29,655,786</u>	<u>\$ 30</u>	<u>\$ 333,427</u>	<u>\$ 117</u>	<u>\$ (191,494)</u>	<u>\$ 142,080</u>

See accompanying notes.

Quince Therapeutics, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For The Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities		
Net Loss	\$ (38,205)	\$ (44,840)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash rent expense	—	188
Stock based compensation	14,292	13,741
Depreciation and amortization	122	173
Impairment loss on operating lease	98	—
Loss on disposal of fixed assets	77	—
Amortization of premium on available for sale investments	175	442
Change in deferred tax liabilities due to acquisition of Novosteo, Inc.	(284)	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,750	(1,851)
Other assets	147	(106)
Accounts payable	(4,664)	3,638
Accrued expenses and other current liabilities	(5,014)	(2,557)
Net cash used in operating activities	<u>(31,506)</u>	<u>(31,172)</u>
Cash flow from investing activities:		
Purchase of investments	(36,849)	(25,165)
Proceeds from maturities of investments	34,388	62,568
Cash acquired from Novosteo, Inc.	10,593	—
Proceeds from disposal of assets	35	—
Purchase of property and equipment	(5)	(136)
Net cash provided by investing activities	<u>8,162</u>	<u>37,267</u>
Cash flows from financing activities:		
Payments of finance leases	(12)	—
Proceeds from issuance of common stock upon exercise of stock options	134	1,113
Proceeds from issuance of common stock in connection with open market sales agreement, net of issuance costs	608	—
Net cash provided by financing activities	<u>730</u>	<u>1,113</u>
Effect of exchange rate changes on cash	(182)	—
Net increase (decrease) in cash and cash equivalents	(22,796)	7,208
Cash and cash equivalents at beginning of period	69,724	66,841
Cash and cash equivalents at end of period	<u>\$ 46,928</u>	<u>\$ 74,049</u>
Supplemental disclosures of non-cash information:		
Net assets acquired of Novosteo, Inc. in exchange for common stock	<u>\$ 16,210</u>	<u>\$ —</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ 256</u>	<u>\$ 1,210</u>
Right-of-use asset and operating lease liability reduction as a result of lease modification	<u>\$ (640)</u>	<u>\$ —</u>

See accompanying notes.

Note 1. Organization

Description of Business

Effective August 1, 2022, Cortexyme Inc. changed its name to Quince Therapeutics, Inc (the "Company"). The Company was incorporated in the State of Delaware in June 2012 and is headquartered in South San Francisco, California. In April 2021, the Company established a wholly owned subsidiary in Australia, Cortexyme Australia, Pty Ltd. The Company is a preclinical stage biopharmaceutical company advancing innovative precision therapeutics for debilitating and rare diseases. In May 2022, the Company completed the acquisition of Novosteo, Inc. ("Novosteo"), a Delaware corporation, a privately held biotech focused on targeted therapeutics to treat rare skeletal diseases, bone fractures, and injury. In addition to the skeletal disease candidate, the Company's pipeline includes proprietary drug candidates for the treatment of Central Nervous System ("CNS") disorders including Alzheimer's disease, oncology applications designed to prevent the development of oral squamous cell carcinoma, as well as for the treatment of underserved and chronic conditions like periodontitis. The Company's pipeline also includes a proprietary irreversible protease inhibitor under development for the treatment of coronavirus infection.

Novosteo, Inc. Acquisition

On May 9, 2022, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") with Novosteo, Quince Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, Quince Merger Sub II, LLC, a Delaware limited liability company and a wholly owned subsidiary of Company, Novosteo, and Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as the securityholders' representative. The transaction closed on May 19, 2022. Pursuant to the terms of the Merger Agreement, at the closing of the Acquisition ("Acquisition"), each share of capital stock of Novosteo that was issued and outstanding immediately prior to the Effective Time was automatically cancelled and converted into the right to receive 0.0911 shares of common stock, par value \$0.001 per share, of the Company. The Company issued 5,520,000 shares and assumed 507,108 outstanding Novosteo options after conversion with the awards, retaining the same vesting and other terms and conditions as in effect immediately prior to consummation of the Acquisition.

Pursuant to the Merger Agreement, upon the terms and subject to the conditions set forth therein, Merger Sub I merged with and into Novosteo (the "First Merger"), with Novosteo as the surviving entity in the First Merger (the "First Step Surviving Corporation"). Immediately following the First Merger, the First Step Surviving Corporation merged with and into Merger Sub II, with Merger Sub II surviving the Acquisition. Merger Sub II was renamed Novosteo, LLC and is a wholly-owned single member limited liability corporation. Novosteo, LLC has a wholly owned subsidiary in Australia, Novosteo Pty Ltd.

Company Management and Board Member Changes

On May 19, 2022, the Company appointed Dirk Thye, M.D., the Chief Executive Officer of Novosteo, as Chief Executive Officer of the Company, Karen Smith, M.D., Ph.D., the Chief Medical Officer of Novosteo, as Chief Medical Officer of the Company and Brendan Hannah, the Chief Operating Officer of Novosteo, as Chief Business Officer of the Company. The Company also agreed to expand its Board of Directors (the "Board") to appoint Dr. Thye and Philip Low, Ph.D., each a director of Novosteo prior to the Acquisition, as a Class II and Class I director of the Board, respectively.

On May 20, 2022, the Company announced the departure of Caryn McDowell, the Company's Chief Legal and Administrative Officer and Corporate Secretary, effective as of July 8, 2022 (the "CLO Departure Date"). In connection with the departure of Ms. McDowell from the Company, the Company entered into a transition agreement (the "CLO Separation Agreement") with Ms. McDowell on May 19, 2022, providing for (i) a release of claims against the Company; (ii) cash severance payments of \$339,000, which equals to nine months of Ms. McDowell's 2022 base salary, to be paid in a lump sum; and (iii) certain health care continuation benefits. The CLO Separation Agreement also provides for an accelerated vesting of the restricted stock award issued to Ms. McDowell on March 3, 2022 and an extension of the post-termination exercise period for all vested stock options or other equity awards held by Ms. McDowell through the twelve-month period following the CLO Departure Date, provided that the specified severance preconditions are met. In addition, in the event the Company consummates a change in control within three months after the CLO Departure Date, subject to satisfaction of specified conditions, Ms. McDowell would also be entitled to additional cash severance and COBRA coverage, payment of target annual bonus and accelerated vesting with respect to her equity awards.

On June 8, 2022, Christopher Lowe resigned as a member of the Board. Mr. Lowe resigned from his roles as the Chief Financial Officer and Chief Operating Officer of the Company, effective as of June 10, 2022 (the "CFO Departure Date"). In connection with the departure of Mr. Lowe from the Company, the Company entered into a separation agreement (the "CFO

Separation Agreement”) with Mr. Lowe on June 10, 2022, providing for (i) a release of claims against the Company; (ii) cash severance payments of \$354,750, which equals to nine months of Mr. Lowe’s 2022 base salary, to be paid in accordance with the Company’s normal payroll practices; and (iii) certain health care continuation benefits. The CFO Separation Agreement also provides for an accelerated vesting of the restricted stock award issued to Mr. Lowe on March 3, 2022 and an extension of the post-termination exercise period for all vested stock options or other equity awards held by Mr. Lowe through the twelve-month period following the CFO Departure Date, provided that the specified severance preconditions are met. In addition, in the event the Company consummates a change in control within three months after the CFO Departure Date, subject to satisfaction of specified conditions, Mr. Lowe would also be entitled to additional cash severance and COBRA coverage, payment of target annual bonus and accelerated vesting with respect to his equity awards.

On June 9, 2022, the Company designated Ted Monohon, the Company’s Chief Accounting Officer and Vice President of Finance, as the principal financial officer, to fill the vacancy resulting from Mr. Lowe’s resignation from the Company. Mr. Monohon serves as the principal financial officer in addition to his role as a principal accounting officer.

On June 9, 2022, upon recommendation of the Nominating and Corporate Governance Committee of the Board, the Board appointed June Bray to serve as a Class III director of the Company, effective immediately, to fill the vacant directorship, until her successor is elected and qualified, or sooner in the event of her death, resignation or removal. Ms. Bray joined the class of directors whose term expires at the Company’s 2025 annual stockholders’ meeting.

On July 22, 2022, we announced the departure of Leslie Holsinger, Ph.D., the Executive Vice President of Research and Development, effective as of July 31, 2022 (the “EVP of Research Departure Date”). The Separation Agreement provides for (i) a release of claims against the Company, (ii) cash severance payments of \$339,000, which equals to nine months of Dr. Holsinger’s 2022 base salary, to be paid in a lump sum; and (iii) certain health care continuation benefits. The Separation Agreement also provides for an extension of the post-termination exercise period for all vested stock options or other equity awards held by each of Dr. Holsinger through the twelve-month period following the EVP of Research Departure Date, in each case provided that the specified severance preconditions are met. In addition, in the event the Company consummates a change in control of control within three months after the VP of Research Departure Date, subject to satisfaction of specified conditions, Dr. Holsinger would also be entitled to additional cash severance and COBRA coverage, payment of target annual bonus, and accelerated vesting with respect to her equity awards.

Liquidity and Capital Resources

The Company has incurred losses and negative cash flows from operations since inception and expects to continue to generate operating losses for the foreseeable future. As of June 30, 2022, the Company had an accumulated deficit of \$274.8 million. Since inception through June 30, 2022, the Company funded operations primarily with the net proceeds from the issuance of convertible promissory notes, from the issuance of redeemable convertible preferred stock, from the net proceeds from the Company’s initial public offering (the “IPO”), a private investment in public equity transaction (“PIPE Financing”), and an at-the-market offering under an open market sales agreement. As of June 30, 2022, the Company had cash, cash equivalents, and short-term investments of \$94.7 million, which it believes will be sufficient to fund its planned operations for a period of at least 12 months from the date of the issuance of the accompanying unaudited consolidated financial statements. The Company also has long-term investments of \$11.0 million.

Management expects to incur additional losses in the future to fund the Company's operations and conduct product research and development and may need to raise additional capital to fully implement its business plan. The Company may raise additional capital through the issuance of equity securities, debt financings or other sources including out-licensing or partnerships, in order to further implement its business plan. However, if such financing is not available when needed and at adequate levels, the Company will need to reevaluate its operating plan and may be required to delay the development of its product candidates.

Note 2. Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Quince Therapeutics, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to

the instructions of the SEC on Form 10-Q and Article 10 of Regulation S-X of the SEC. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the results of operations and cash flows for the periods presented have been included.

The condensed consolidated balance sheet as of June 30, 2022, the condensed consolidated statements of operations and comprehensive loss for the three and six months ended June 30, 2022 and 2021, the condensed consolidated statements of stockholders' equity for the three and six months ended June 30, 2022 and 2021, the condensed consolidated statements of cash flows for the six months ended June 30, 2022 and 2021, and the financial data and other financial information disclosed in the notes to the condensed consolidated financial statements are unaudited. These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2021 included in the Company's Form 10-K filed with the SEC on March 1, 2022. The results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the results to be expected for the year ending December 31, 2022, or for any other future annual or interim period.

Risks and Uncertainties

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, uncertainty of results of clinical trials and reaching milestones, uncertainty of regulatory approval of the Company's potential drug candidates, uncertainty of market acceptance of the Company's drug candidates, competition from substitute products and larger companies, securing and protecting proprietary technology, strategic relationships and dependence on key individuals and sole source suppliers. The Company's drug candidates will require approvals from the U.S. Food and Drug Administration ("FDA") and comparable foreign regulatory agencies prior to commercial sales in their respective jurisdictions. There can be no assurance that any drug candidate will receive the necessary approvals. On January 25, 2022, the Company received a letter from the FDA Division of Neurology 1 placing a full clinical hold on atuzaginstat (COR388) IND application. Other divisions of the FDA may impose a clinical hold on atuzaginstat (COR388) as the Company explores other indications for this drug, or otherwise limit the Company's ability to proceed with other clinical programs in the Company's pipeline, which could have a materially adverse impact on the Company.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and expenses, as well as related disclosure of contingent assets and liabilities. The most significant estimates used in the Company's consolidated financial statements relate to the determination of the fair value of stock-based awards and other issuances, determination of the fair value of identifiable assets and liabilities in connection with the acquisition of Novosteo, Inc., including associated intangible assets and goodwill, accruals for research and development costs, useful lives of long-lived assets, stock-based compensation and related assumptions, the incremental borrowing rate for leases and income tax uncertainties, including a valuation allowance for deferred tax assets, eligibility of expenses for the Australia research and development refundable tax credits; and contingencies. The Company bases its estimates on historical experience and on various other market specific and other relevant assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from the Company's estimates.

Foreign Currency Translation and Transactions

The functional currency of two of the Company's wholly-owned subsidiaries is the Australian Dollar. Its financial results and financial position are translated into U.S. dollars using exchange rates at balance sheet dates for assets and liabilities and using average exchange rates for income and expenses. The resulting translation differences are presented as a separate component of accumulated other comprehensive income (loss), as a separate component of equity.

Foreign currency transactions are translated into the functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the re-measurement of monetary assets and liabilities denominated in foreign currencies using exchange rates at balance sheet date and non-monetary assets and liabilities using historical exchange rates, are recognized in the consolidated statements of operations and comprehensive loss.

Significant Accounting Policies

There have been no significant changes to the accounting policies during the six months ended June 30, 2022, as compared to the significant accounting policies described in our Annual Report on Form 10-K other than as noted below:

Business Combinations

The Company accounts for business combinations using the acquisition method pursuant to the Financial Accounting Standards Board (the “FASB”) Accounting Standards Codification (“ASC”) Topic 805. This method requires, among other things, that results of operations of acquired companies are included in the Company’s financial results beginning on the respective acquisition dates, and that identifiable assets acquired and liabilities assumed are recognized at fair value as of the acquisition date. Intangible assets acquired in a business combination are recorded at fair value using one of three valuation approaches, the income approach, the market approach or the cost approach. The Company reviewed the three valuation approaches and determined the income approach was the most appropriate model to approximate fair value for the Acquisition. The income approach model requires assumptions about the timing and amount of future net cash flows, the cost of capital and terminal values from the perspective of a market participant. Any excess of the fair value of consideration transferred (the “Purchase Price”) over the fair values of the net assets acquired is recognized as goodwill. The fair value of identifiable assets acquired and liabilities assumed in certain cases may be subject to revision based on the final determination of fair value during a period of time not to exceed 12 months from the acquisition date. Legal costs, due diligence costs, business valuation costs and all other acquisition-related costs are expensed when incurred.

Intangible Assets

Intangible assets with a definite useful life are amortized on a straight-line basis over the estimated useful life of the related assets. Intangible assets with an indefinite useful life are not amortized. Intangible assets acquired in a business combination or an acquisition that are used in research and development activities (regardless of whether they have an alternative future use) shall be considered indefinite lived until the completion or abandonment of the associated research and development efforts. Intangible assets acquired in a business combination are initially recorded at fair value. During the period that those assets are considered indefinite lived, they shall not be amortized but shall be tested for impairment. Once the research and development efforts are completed or abandoned, the entity shall determine the useful life of the assets. An intangible asset shall be tested for impairment annually and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the intangible asset is less than its carrying amount. If that is the case, the Company performs a quantitative impairment test, and, if the carrying amount of the Company exceeds its fair value, then the Company will recognize an impairment charge for the amount by which its carrying amount exceeds its fair value, not to exceed the carrying amount of the intangible asset. Qualitative factors to be considered include but are not limited to:

- Cost factors such as increases in raw materials, labor, or other costs that have a negative effect on future expected earnings and cash flows
- Legal/regulatory factors or progress and results of clinical trials
- Other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset
- Industry and market considerations such as a deterioration in the environment in which an entity operates, an increased competitive environment
- Macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired as of the acquisition date. Goodwill has an indefinite useful life and is not amortized. The Company reviews its goodwill for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of the Company may exceed its fair value. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the Company is less than its carrying amount, including goodwill. If that is the case, the Company performs a quantitative impairment test, and, if the carrying amount of the Company exceeds its fair value, then the Company will recognize an impairment charge for the amount by which its carrying amount exceeds its fair value, not to exceed the carrying amount of the goodwill.

The Company recognized no impairment charge for the three months ended June 30, 2022.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash and cash equivalents. Cash equivalents, which consist of amounts invested in money market funds, are stated at fair value. There are no unrealized gains or losses on the money market funds for the periods presented.

Fair Value Measurements

The fair value of the Company's financial instruments reflects the amounts that the Company estimates that it would receive in connection with the sale of an asset or pay in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 - Inputs that are unobservable. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period.

Recent Accounting Pronouncements Adopted

ASU 2021-10, Disclosures by Business Entities about Government Assistance. In November 2021, the FASB issued ASU 2021-10, "Government Assistance (Topic 832)," which requires business entities to disclose information about transactions with a government that are accounted for by applying a grant or contribution model by analogy (for example, IFRS guidance in IAS 20 or guidance on contributions for not-for-profit entities in ASC 958-605). For transactions within scope, the new standard requires the disclosure of information about the nature of the transaction, including significant terms and conditions, as well as the amounts and specific financial statement line items affected by the transaction. The new guidance is effective for annual reporting periods beginning after December 15, 2021. The adoption of this pronouncement did not have a material impact on its consolidated financial statements or disclosures.

Recent Accounting Pronouncements Not Yet Adopted

The following are new accounting pronouncements that the Company is evaluating for future impacts on its financial statements:

Financial Instruments—Credit Losses: In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments which amends the principles around the recognition of credit losses by mandating entities incorporate an estimate of current expected credit losses when determining the value of certain assets. The guidance also amends reporting around allowances for credit losses on available-for-sale marketable securities. In November 2019, the FASB issued ASU 2019-10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815) and Leases (Topic 842): Effective Dates, which established that a one-time determination of the effective date for ASU 2016-13 would be based on the Company's SEC reporting status as of November 15, 2019. The Company was a "smaller reporting company" as defined by Item 10 of Regulation S-K, and therefore, ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company is evaluating the impact of the guidance on its financial statements.

All other newly issued accounting pronouncements not yet effective have been deemed either immaterial or not applicable.

Note 3. Fair Value Measurements

The Company measures and reports its cash equivalents and investments at fair value.

Money market funds are measured at fair value on a recurring basis using quoted prices and are classified as Level 1. Investments are measured at fair value based on inputs other than quoted prices that are derived from observable market data and are classified as Level 2 inputs.

Financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used in such measurements by major security type as of June 30, 2022 and December 31, 2021 are presented in the following tables (in thousands):

	Fair Value Measurements at June 30, 2022			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 26,432	\$ 26,432	\$ —	\$ —
Certificates of Deposit	6,268	—	6,268	—
Repurchase Agreements	6,000	—	6,000	—
Corporate notes	18,083	—	18,083	—
Government and agency notes	32,387	—	32,387	—
Municipal notes	1,231	—	1,231	—
Commercial Paper	1,896	—	1,896	—
Total	<u>\$ 92,297</u>	<u>\$ 26,432</u>	<u>\$ 65,865</u>	<u>\$ —</u>

	Fair Value Measurements at December 31, 2021			
	Total	Level 1	Level 2	Level 3
Money market funds	\$ 15,954	\$ 15,954	\$ —	\$ —
Certificates of Deposit	11,503	—	11,503	—
Repurchase Agreements	13,500	—	13,500	—
Corporate notes	38,397	—	38,397	—
Government and agency notes	5,178	—	5,178	—
Municipal notes	1,933	—	1,933	—
Total	<u>\$ 86,465</u>	<u>\$ 15,954</u>	<u>\$ 70,511</u>	<u>\$ —</u>

The following table summarizes the available-for-sale securities (in thousands):

	Fair Value Measurements at June 30, 2022			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	\$ 26,432	\$ —	\$ —	\$ 26,432
Certificates of Deposit	6,415	—	(147)	6,268
Repurchase Agreements	6,000	—	—	6,000
Corporate notes	18,377	—	(294)	18,083
Government and agency notes	32,558	—	(171)	32,387
Commercial Paper	1,898	—	(2)	1,896
Municipal notes	1,240	—	(9)	1,231
Total cash equivalents and investments	<u>\$ 92,920</u>	<u>\$ —</u>	<u>\$ (623)</u>	<u>\$ 92,297</u>

Classified as:			
Cash equivalents (maturities within 90 days)		\$	33,532
Short-term investments (maturities within one year)			47,736
Long-term investments (maturities beyond 1 year)			11,029
Total cash equivalents and investments		\$	<u>92,297</u>

	Fair Value Measurements at December 31, 2021			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	\$ 15,954	\$ —	\$ —	\$ 15,954
Certificates of Deposit	11,511	12	(20)	11,503
Repurchase Agreements	13,500	—	—	13,500
Corporate notes	38,470	6	(79)	38,397
Government and agency notes	5,195	—	(17)	5,178
Municipal notes	1,934	—	(1)	1,933
Total cash equivalents and investments	<u>\$ 86,564</u>	<u>\$ 18</u>	<u>\$ (117)</u>	<u>\$ 86,465</u>
Classified as:				
Cash equivalents (maturities within 90 days)				\$ 29,454
Short-term investments (maturities within one year)				37,078
Long-term investments (maturities beyond 1 year)				19,933
Total cash equivalents and investments				<u>\$ 86,465</u>

As of June 30, 2022, the remaining contractual maturities of available-for-sale securities was approximately 7 months. There have been no significant realized gains or losses on available-for-sale securities for the period presented. Based on the Company's review of its available-for-sale securities, the Company has a limited number of available-for-sale securities in insignificant loss positions as of June 30, 2022, none of which have been in a loss position for more than a year. The Company believes it had no other-than-temporary impairments on these securities as of June 30, 2022, because the Company does not intend to sell these securities nor does the Company believe that it will be required to sell these securities before the recovery of their amortized cost basis.

The investments are classified as available-for-sale securities. At June 30, 2022 and December 31, 2021, the balance in the Company's accumulated other comprehensive income was comprised primarily of activity related to the Company's available-for-sale securities. There were no realized gains or losses recognized on the sale or maturity of available-for-sale securities for the three and six months ended June 30, 2022 and as a result, the Company did not reclassify any amounts out of accumulated other comprehensive income for the quarter.

There were no transfers between Levels 1, 2 or 3 for the period presented.

Note 4. Cash, Cash Equivalents and Investments

The following tables categorize the fair values of cash, cash equivalents, short-term investments and long-term investments measured at fair value on a recurring basis on our balance sheets (in thousands):

	June 30, 2022	December 31, 2021
Cash and cash equivalents:		
Cash	\$ 13,396	\$ 40,270
Money market funds	26,432	15,954
Repurchase agreements	6,000	13,500
Government and agency notes	1,100	—
Total cash and cash equivalents	<u>\$ 46,928</u>	<u>\$ 69,724</u>
Short-term investments:		
Certificates of deposit	\$ 2,352	\$ 6,928
Municipal notes	1,231	1,283
Corporate notes	16,522	25,675
Government and agency notes	25,735	3,192
Commercial Paper	1,896	—
Total short-term investments	<u>\$ 47,736</u>	<u>\$ 37,078</u>
Long-term investments:		
Corporate notes	\$ 1,561	\$ 12,722
Certificates of deposit	3,916	4,575
Municipal notes	—	650
Government and agency notes	5,552	1,986
Total long-term investments	<u>\$ 11,029</u>	<u>\$ 19,933</u>

Note 5. Balance Sheet Components

Prepaid Expenses and Other Current Assets

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

	June 30, 2022	December 31, 2021
Prepaid expenses	\$ 434	\$ 333
Prepaid insurance	691	1,144
Prepaid research and development expenses	1,131	1,899
Australia research and development refundable tax credit	2,063	1,128
Other current assets	387	367
Total prepaid expenses and other current assets	<u>\$ 4,706</u>	<u>\$ 4,871</u>

Cortexyme Australia, Pty, Ltd is eligible to obtain a cash refund from the Australian Taxation Office for eligible R&D expenditures under the Australian R&D Tax Incentive Program (the “Australian Tax Incentive”). The Australian Tax Incentive is recognized as a reduction to R&D expense when there is reasonable assurance that the relevant expenditure has been incurred, the amount can be reliably measured and the Australian Tax Incentive will be received. The Company recognized reductions to R&D expense of \$0.4 million and \$0.5 million for the three and six months ended June 30, 2022 and \$0 reductions to R&D expense for the three and six months ended June 30, 2021.

Novosteo Pty, Ltd is eligible to obtain a cash refund from the Australian Taxation Office for eligible R&D expenditures under the Australian Tax Incentive as well. The Company will receive a refundable tax credit of \$0.6 million for the six months ended June 30, 2022.

Property and Equipment, Net

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

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Computer equipment	\$ 18	\$ 53
Lab equipment	342	528
Finance lease right of use assets	124	557
Leasehold improvement	63	58
Office furniture	—	26
Less: accumulated amortization and depreciation	(183)	(959)
Property and equipment, net	<u>\$ 364</u>	<u>\$ 263</u>

Accrued Expenses and Other Current Liabilities

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

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Personnel expenses	\$ 625	\$ 820
Severance expense	673	—
Professional fees	351	462
Research and development expenses	1,861	7,108
Current portion of operating lease liabilities	317	741
Current portion of finance lease liability	74	—
Other	182	180
Total accrued expenses and other current liabilities	<u>\$ 4,083</u>	<u>\$ 9,311</u>

In response to the reprioritization of the Company's pipeline following the clinical hold on atuzaginstat (COR388) IND application, on February 2, 2022, the Board approved a cost reduction program to reorganize operations and allow continued support for the needs of the business. Under the cost reduction program, the Company is reducing headcount through a reduction in workforce. A majority of this reduction in force took place by June 30, 2022, and is expected that the remainder will be completed by July 2022. To be eligible for the severance payments, employees must remain with the Company through their communicated severance date. The Company is recognizing the severance and related expenses over the requisite employment obligation period.

	<u>June 30,</u> <u>2022</u>
Beginning accrued severance	\$ —
Incurred during the period	3,625
Severance paid during the period	(2,952)
Ending accrued severance	<u>\$ 673</u>

Note 6. Leases

Real Estate Operating Leases

In June 2018, the Company entered into a three-year lease agreement with no renewal options with an investor in the Series B redeemable convertible preferred stock. The lease began on July 16, 2018 and provides 3,185 square feet of office and laboratory space in South San Francisco, California. The Company issued 114,437 shares of its Series B redeemable convertible preferred stock with a fair value of \$1.1 million in exchange for the leased facility. No other payments are due under the lease. The common area maintenance and other operating costs are included in the base rent. 100% of the issued shares were initially subject to a repurchase option. Pursuant to the terms of the lease, each month beginning on the one-month anniversary of the commencement date of the lease, 1/36th of the total shares are released from the repurchase option until all shares are released over the lease period of three years. The scheduled release of shares ceased immediately upon the IPO which was a terminating event.

The Company completed its IPO on May 13, 2019 and as a result, pursuant to the terms of the lease agreement, all previously unvested shares were fully vested and as part of the IPO process, all outstanding shares of the Company's redeemable

convertible preferred stock including the Series B redeemable convertible preferred stock issued in connection with the lease agreement were converted into shares of the Company's common stock on a 1-for-1 basis and the operating lease liability was extinguished.

In May 2019, the Company entered into an amendment to the lease agreement to rent additional space in the same facility under the same terms as its existing facility lease except the terms of payment. Under the terms of the amendment, the Company paid a one-time fee of approximately \$63,000 for the additional space and the lease agreement was set to terminate in July 2021. No other payments are due under the lease agreement and no renewal option is available. As the entire lease is prepaid, there is no associated lease liability.

In May 2020, the Company entered into a second amendment to the lease agreement to rent additional space in the same facility under the same terms as its existing facility lease except the terms of payment. Under the terms of the amendment, the Company paid rent monthly for the additional space and the lease agreement was set to terminate in July 2021. The Company recorded an operating lease asset and liability of \$172,000.

In May 2021, the Company entered into a third amendment to the lease agreement to extend the term of its existing facility space to July 15, 2022 under the same terms as its existing facility lease except the terms of payment. The lease amendment provides for one-year extension period under the same terms. As a result of this amendment, the Company recognized an additional right-of-use asset and corresponding lease liability of \$1.2 million. In the same agreement, the Company also agreed to rent additional space effective July 16, 2021 for a period of 12 months. The lease amendment provides for one-year extension period and was included in the lease term as it was reasonably certain that the Company would exercise the option. The Company recognized an additional right of use asset and corresponding lease liability of \$44,000 in July 2021. Total payments under the third amendment to the lease including the additional space would be \$1.3 million.

In March 2022, in response to the reprioritization of the Company's pipeline following the clinical hold on atuzaginstat (COR388) IND application, the Company has decided not to exercise the one-year extension period which was previously included in the determination of the lease term at the time the lease was modified in May 2021. This reduction in lease term was determined to be a lease modification and as such, the lease liability was re-measured and corresponding ROU asset adjusted using an incremental borrowing rate at the date of modification. The Company reduced the ROU asset and lease liability by approximately \$640,000. The Company paid a security deposit of \$105,000, which is included in Prepaid Expenses and Other Current Assets on the June 30, 2022 condensed consolidated balance sheets.

In May 2020, the Company entered into a lease agreement to rent space in San Diego, California. The lease agreement is for three years which commenced August 1, 2020. Total payments under the lease will be \$337,000. In June 2022 the Company determined the San Diego facility was no longer required and intends to sublease the facility, if possible. As a result of this decision, the Company recorded an impairment loss of approximately \$98,000, for the three months ended June 30, 2022. The Company paid a security deposit of \$29,000 and is included in Other Assets on the June 30, 2022 condensed consolidated balance sheets. At the commencement of the lease, the Company recorded an operating lease asset of \$326,000, which consists of an operating lease liability of \$317,000 and cash rent prepayment of \$9,000.

In June 2022, the Company entered into a Sublease Agreement to rent office space in South San Francisco, California. The Sublease agreement commenced on June 18, 2022 and ends on November 30, 2023. The total payments under the term of the lease are expected to be approximately \$271,000. The Company paid a security deposit of \$17,000 which is included in Other Assets on the June 30, 2022 condensed consolidated balance sheets. At the commencement of the lease, the Company recorded an operating lease asset and liability of \$256,000.

The Company recognizes lease expense on a straight-line basis over the term of its operating lease. As of June 30, 2022, total future rent expense from all real estate operating leases of \$345,000 will be recognized over the remaining terms of 1 to 17 months on a straight-line basis over the respective lease period.

Clinical Equipment Operating Lease

The Company uses certain vendor supplied equipment in connection with its on-going clinical trial. The Company has analyzed the vendor agreement and determined that it contains an embedded operating lease. The Company recognizes monthly the leases costs in our research and development expenses. The right of use asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company's lease does not provide an implicit rate. The Company used an adjusted historical incremental borrowing rate, based on the information available at the approximate lease commencement date, to determine the present value of lease payments. As of June 30, 2022, the lease expense has been fully recognized.

Equipment Financing Lease

As part of the Novosteo Acquisition the Company acquired a financing lease for lab equipment. The Company recognizes the depreciation expense in research and development expenses in the condensed consolidated statements of operations and comprehensive loss and recognizes expense on a straight-line basis starting when the equipment is placed into service until the end of the remaining contract term of 18 months. Depreciation expense of the financing lease right of use asset for the three months ended June 30, 2022 was \$12,000.

Supplemental balance sheet information related to leases as follows (in thousands except lease terms and discount rates):

	June 30, 2022	December 31, 2021
Operating lease right of use asset, net	\$ 328	\$ 1,165
Short-term operating lease liability	317	741
Long-term operating lease liability	95	420
	<u>\$ 412</u>	<u>\$ 1,161</u>
Finance lease right of use asset	124	557
Finance lease accumulated amortization	(12)	(557)
Total finance lease right of use asset, net	<u>\$ 112</u>	<u>\$ —</u>
Weighted average remaining lease term		
Operating leases	1.2 years	1.6 years
Finance leases	1.5 years	—
Weighted average discount rate		
Operating leases	4.87%	1.87%
Finance leases	4.45%	—%
Year ended December 31,	Operating Lease	Operating Lease
2022 (excluding the six months ended June 30, 2022)	\$ 170	\$ 757
2023	256	422
Total lease payments	426	1,179
Less: imputed interest	(14)	(18)
Total remaining lease liability	<u>\$ 412</u>	<u>\$ 1,161</u>

Note 7. Stock-Based Compensation

The Company operates three stock plans as of June 30, 2022.

- 2019 Equity Incentive Plan (Quince)
- 2019 Equity Incentive Plan (Novosteo)
- 2022 Inducement Plan (Quince)

2019 Equity Incentive Plan (Quince)

On December 4, 2014, the Company's stockholders approved the 2014 Stock Plan ("2014 Plan"), and most recently amended the 2014 Plan on April 25, 2019. The 2014 Plan was amended, restated and re-named the 2019 Equity Incentive Plan (the "Quince 2019 Plan"), which became effective as of May 7, 2019, the day prior to the effectiveness of the registration statement filed in connection with the IPO. The remaining shares available for issuance under the 2014 Plan were added to the shares reserved for issuance under the Quince 2019 Plan.

The Quince 2019 Plan provides for the grant of stock options (including incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, RSUs, performance units, and performance shares to the Company's employees, directors, and consultants. The maximum aggregate number of shares that may be issued under the Quince 2019 Plan is 8,591,030 shares of the Company's common stock. In addition, the number of shares available for issuance under the Quince 2019 Plan will be annually increased on the first day of each fiscal year beginning with fiscal 2020, by an amount equal to the least of (i) 2,146,354 shares of common stock; (ii) 4% of the outstanding shares of its common stock as of the last day of its immediately preceding fiscal year; and (iii) such other amount as the Board may determine.

The Quince 2019 Plan may be amended, suspended or terminated by the Board at any time, provided such action does not impair the existing rights of any participant, subject to stockholder approval of any amendment to the Quince 2019 Plan as required by applicable law or listing requirements. Unless sooner terminated by the Board, the Quince 2019 Plan will automatically terminate on April 23, 2029.

As of June 30, 2022, the Company had 1,596,650 shares available for future issuance under the Quince 2019 Plan.

Stock Options

Activity for service-based stock options under the Quince 2019 Plan is as follows:

	Number of Options and Unvested Shares	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
	(In thousands)			
Balance at December 31, 2021	5,571,293	\$ 28.70	8.26	\$ 15,687
Options granted	1,869,058	8.75		
Options exercised	(78,210)	1.72		
Options cancelled / forfeited	(2,235,768)	30.39		
Balance at June 30, 2022	5,126,373	\$ 21.10	6.63	\$ 501
Options vested and expected to vest as of June 30, 2022	5,126,373	21.10	6.63	501
Options exercisable as of June 30, 2022	2,680,564	\$ 22.00	4.49	\$ 501

For the three and six months ended June 30, 2022, the Company recognized stock-based compensation expense of \$3,439,000 and \$10,462,000, respectively, related to options granted to employees and non-employees. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the condensed consolidated statement of operations and comprehensive loss for stock-based compensation arrangements. As of June 30, 2022, total unamortized employee stock-based compensation was \$23.6 million, which is expected to be recognized over the remaining estimated vesting period of 2.58 years.

Performance Stock Options ("PSOs")

The following table summarizes activity under the Company's PSOs from the Quince 2019 Plan and related information:

	Shares Subject to Outstanding PSOs	Weighted Average Exercise Price	Weighted average remaining contractual life (years)
Balance at December 31, 2021	675,000	\$ 29.60	5.74
Surrendered	(675,000)	\$ 29.60	—
Vested	—	—	—
Balance at June 30, 2022	—	—	—

In February 2022, the Company and certain executive officers agreed to voluntarily surrender 400,000 of the PSOs. As a result of the surrender, the Company accelerated the total remaining expense on these options and recognized approximately \$3.6 million in compensation expense during the quarter ended March 31, 2022.

In February 2022, the Company's Chief Executive Officer and Chief Scientific Officer resigned from the Company. As a result, the 275,000 unvested PSOs were cancelled and the life to date expense of approximately \$1.6 million was reversed in the quarter ended March 31, 2022.

For the three and six months ended June 30, 2022, the Company recognized stock-based compensation expense of \$0 and \$2,044,000, respectively, related to these PSOs. As of June 30, 2022, there was no remaining unamortized stock-based compensation related to PSOs.

Restricted Stock Units ("RSUs")

The following table summarizes activity under the Company's RSUs from the Quince 2019 Plan and related information:

	Quince 2019 Plan	
	Restricted Stock Units Outstanding	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested - December 31, 2021	—	—
RSUs granted	1,013,500	\$ 4.30
RSUs vested	(253,297)	\$ 4.30
RSUs cancelled	(226,538)	\$ 4.30
Unvested - June 30, 2022	533,665	\$ 4.30

The fair value of the RSUs is determined on the grant date based on the fair value of the Company's common stock. The fair value of the RSUs is recognized as expense ratably over the vesting period of two years. The total grant date fair value of the RSUs vested during the three months ended June 30, 2022 was \$1.1 million. The aggregate intrinsic value of the shares of the RSUs vested during the three months ended June 30, 2022 was \$0.8 million.

For the three and six months ended June 30, 2022, the Company recognized stock-based compensation expense of \$1,224,000 and \$1,397,000, respectively, related to these RSUs. As of June 30, 2022, total unamortized stock-based compensation related to RSUs was \$1.6 million, which is expected to be recognized over the remaining estimated vesting period of 1.65 years.

2019 Equity Incentive Plan (Novosteo)

On May 19, 2022, in accordance with the term of the Merger Agreement, the Company assumed the 2019 Novosteo, Inc Equity Incentive Plan (the "2019 Novosteo Plan"). The 2019 Novosteo Plan provides for the grant of stock options (including incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, RSUs, performance units, and performance shares to the Novosteo legacy employees. On the closing date, each outstanding Novosteo stock option granted under Novosteo's equity compensation plans was converted into a corresponding stock option with the number of shares underlying such option and the applicable exercise price adjusted based and adjusted into the right to purchase 0.0911 shares of common stock. Each such converted stock option will continue to be subject to substantially the same terms and conditions as applied to the corresponding Novosteo stock option prior to the Acquisition. The maximum aggregate number of shares that may be issued under the 2019 Novosteo Plan is 544,985 shares of the Company's common stock.

The 2019 Novosteo Plan may be amended, suspended or terminated by the Board at any time, provided such action does not impair the existing rights of any participant, subject to stockholder approval of any amendment to the 2019 Novosteo Plan as required by applicable law or listing requirements. Unless sooner terminated by the Board, the 2019 Novosteo Plan will automatically terminate on May 20, 2029.

As of June 30, 2022, the Company had 37,337 shares available for future issuance under the 2019 Novosteo Plan.

Activity for service-based stock options under the 2019 Novosteo Plan is as follows:

	Number of Options and Unvested Shares	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
				(In thousands)
Balance at December 31, 2021	—	—	—	—
Options granted	507,648	0.55	—	—
Options exercised	—	—	—	—
Options cancelled / forfeited	—	—	—	—
Balance at June 30, 2022	507,648	\$ 0.55	9.73	\$ 848
Options vested and expected to vest as of June 30, 2022	507,648	0.55	9.73	848
Options exercisable as of June 30, 2022	—	—	—	—

For the three and six months ended June 30, 2022, the Company recognized stock-based compensation expense of \$87,000 and \$87,000, respectively, related to options granted to employees and non-employees for the 2019 Novosteo plan. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the condensed consolidated statement of operations and comprehensive loss for stock-based compensation arrangements. As of June 30, 2022, total unamortized employee stock-based compensation was \$1.2 million, which is expected to be recognized over the remaining estimated vesting period of 3.73 years.

On May 19, 2022, in accordance with the term of the Merger Agreement, the Company assumed a number of restricted stock awards ("RSAs") agreements with certain employees. Each outstanding Novosteo RSA was converted into a corresponding RSA with the number of shares underlying such RSA adjusted into 0.0911 shares of common stock. Each such converted RSA will continue to be subject to substantially the same terms and conditions as applied to the corresponding Novosteo RSA prior to the Acquisition.

Restricted Stock Awards ("RSAs")

	Restricted Stock Awards Outstanding	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested - December 31, 2021	—	—
RSAs granted	519,216	\$ 3.30
RSAs vested	(13,116)	—
RSAs cancelled	—	—
Unvested - June 30, 2022	506,100	\$ 3.30

For the three and six months ended June 30, 2022, the Company recognized stock-based compensation expense of \$76,000 and \$76,000, respectively, related to restricted stock awards. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the condensed consolidated statement of operations and comprehensive loss for stock-based compensation arrangements. As of June 30, 2022, total unamortized employee stock-based compensation was \$1.6 million, which is expected to be recognized over the remaining estimated vesting period of 3.23 years.

2022 Inducement Plan

On May 9, 2022, the Company's stockholders approved 4,000,000 additional shares of the Registrant's common stock that may be offered or issued under the Quince Therapeutics, Inc. 2022 Inducement Plan. The 2022 Inducement Plan was adopted by the independent members of the Board without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. In accordance with rule awards under those plans may only be made to an employee who has not previously been an employee or member of the Board or of any board of directors of any parent or subsidiary of the Company, or following a bona fide period of non-employment by the Company or a parent or subsidiary, if he or she is granted such award in connection with his or her commencement of employment with the Company or a subsidiary and such grant is an inducement material to his or her entering into employment with the Company or such subsidiary. The terms and conditions of the 2022 Inducement Plan are substantially similar to those of the Quince 2019 Plan.

As of June 30, 2022, the Company had 255,745 shares available for future issuance under the 2022 Inducement Plan.

Activity for service-based stock options under the 2022 Inducement Plan is as follows:

	Number of Options and Unvested Shares	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
				(In thousands)
Balance at December 31, 2021	—	—	—	—
Options granted	3,744,255	2.98	—	—
Options exercised	—	—	—	—
Options cancelled / forfeited	—	—	—	—
Balance at June 30, 2022	3,744,255	\$ 2.98	9.90	\$ —
Options vested and expected to vest as of June 30, 2022	3,744,255	2.98	9.90	—
Options exercisable as of June 30, 2022	—	—	—	—

For the three and six months ended June 30, 2022, the Company recognized stock-based compensation expense of \$226,000 and \$226,000, respectively, related to options granted to employees and non-employees for the 2022 Inducement plan. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the condensed consolidated statement of operations and comprehensive for stock-based compensation arrangements. As of June 30, 2022, total unamortized employee stock-based compensation was \$8.3 million, which is expected to be recognized over the remaining estimated vesting period of 3.90 years.

Stock-Based Compensation Expense

The following table summarizes employee and non-employee stock-based compensation expense for the three and six months ended June 30, 2022 and 2021 and the allocation within the condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
General and administrative expense	\$ 3,267	\$ 3,629	\$ 7,699	\$ 7,108
Research and development expense	1,784	3,121	6,593	6,633
Total stock-based compensation	\$ 5,051	\$ 6,750	\$ 14,292	\$ 13,741

Employee Stock Purchase Plan

On April 24, 2019, the Board adopted its 2019 Employee Stock Purchase Plan (the “2019 ESPP”), which was subsequently approved by the Company’s stockholders and became effective on May 7, 2019, the day immediately prior to the effectiveness of the registration statement filed in connection with the IPO. The 2019 ESPP is intended to qualify as an “employee stock purchase plan” within the meaning of Section 423 of the Internal Revenue Code (the “Code”) for U.S. employees. In addition, the 2019 ESPP authorizes grants of purchase rights that do not comply with Section 423 of the Code under a separate non-423 component for non-U.S. employees and certain non-U.S. service providers. The Company has reserved 1,133,165 shares of common stock for issuance under the 2019 ESPP. In addition, the number of shares reserved for issuance under the 2019 ESPP will be increased automatically on the first day of each fiscal year for a period of up to ten years, starting with the 2020 fiscal year, by a number equal to the least of: (i) 536,589 shares; (ii) 1% of the shares of common stock outstanding on the last day of the prior fiscal year; or (iii) such lesser number of shares determined by the Board. The 2019 ESPP is expected to be implemented through a series of offerings under which participants are granted purchase rights to purchase shares of the Company’s common stock on specified dates during such offerings. The Company has not yet approved an offering under the 2019 ESPP.

Note 8. Related Party Transactions

In the first quarter of 2021, the Company entered into one agreement with LifeSci Advisors, LLC for non-capital advisory consulting services and was renewed during the first quarter of 2022. The Company’s Interim Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer, Christopher Lowe, has an investment in a sister entity to LifeSci Advisors, LLC whose business is unrelated to the services being offered by LifeSci Advisors, LLC to the Company. For the six months ended June 30, 2022 and 2021 the Company has incurred total expenses of \$181,000 and \$306,000, respectively, related to these agreements. This is recorded in general and administrative expenses included in the Condensed Consolidated Statements of Operations and Comprehensive Loss.

David Lamond, Chairperson of the Board of Quince Therapeutics was a director and an equity holder in Novosteo, Inc. which Quince acquired on May 19, 2022. The shares of Novosteo, Inc. beneficially owned by Mr. Lamond were automatically cancelled and converted into the right to receive shares of Quince common stock in accordance with the terms of the Merger Agreement. The respective boards of directors of Quince and Novosteo have approved the Merger Agreement, and the Novosteo’s stockholders adopted the Merger Agreement upon recommendation of the Novosteo board of directors. Mr. Lamond was not part of either company's special committees that evaluated the Acquisition and recused himself from board meetings where the Acquisition was discussed.

Philip Low, Board member of Quince Therapeutics, Inc., is employed as a professor at Purdue University. The Company rents a lab facility and office space from Purdue Research Foundation, a private, nonprofit foundation of Purdue University. Purdue Research Foundation also owns 154,497 shares of Quince Therapeutics, Inc. and has provided the Company an exclusive worldwide license under certain bone fracture repair and oncology therapeutics related patents and technology developed by the Purdue

University and owned by Purdue Research Foundation. In addition, we are required to pay Purdue Research Foundation annual license maintenance fees, development milestones (up to \$4.25 million for each licensed product), royalties on the gross receipts of the licensed products (subject to annual minimums), and a share of certain payments that we may receive from our sublicensees.

On February 1, 2022, the Company announced that Casey C. Lynch stepped down as the chairperson of the Board and the President and Chief Executive Officer, effective as of January 28, 2022. As of the effective date of her departure, Ms. Lynch held 26,294 options that were unvested and would have vested in February 2022. In connection with Ms. Lynch's departure, the Board agreed to accelerate the vesting of the remaining 26,294 options, and extend the exercise period on 574,206 vested options currently held to January 28, 2023. Additionally as part of the severance agreement, the Company made a cash severance payment of \$604,000 to Ms. Lynch.

On February 1, 2022, the Company announced that Stephen S. Dominy M.D. stepped down as a member of the Board and the Chief Scientific Officer, effective as of January 28, 2022. As of the effective date of his departure, Dr. Dominy held 9,230 options that were unvested and would have vested in February 2022. In connection with Dr. Dominy's departure, the Board agreed to accelerate the vesting of the remaining 9,230 options, and extend the exercise period on 315,659 vested options currently held to January 28, 2023. Additionally as part of the severance agreement, the Company made a cash severance payment of \$326,250 to Dr. Dominy.

On May 2, 2022, the Company announced that Michael Detke, M.D., Ph.D. stepped down as the Chief Medical Officer of the Company, effective as of May 2, 2022. As part of the severance agreement, the Company made a cash severance payment of \$354,750 to Dr. Detke.

On May 20, 2022, the Company announced that Caryn McDowell stepped down as the Chief Legal and Administrative Officer and Corporate Secretary of the Company, effective as of July 8, 2022. As the effective date of her departure Ms. McDowell held 122,500 RSUs that were unvested and would have vested in March 2024. In connection with Ms. McDowell's departure, the Board agreed to accelerate the vesting of the remaining 122,500 RSUs, and to extend the exercise period on 152,079 vested options currently held to July 8, 2023. Additionally as part of the severance agreement, the Company made a cash severance payment of \$339,000 to Ms. McDowell.

On June 8, 2022, the Company announced that Christopher Lowe stepped down as a member of the Board and the Chief Financial Officer and Chief Operating Officer of the Company, effective as of June 10, 2022. As the effective date of his departure Mr. Lowe held 153,125 RSUs that were unvested and would have vested in March 2024. In connection with Mr. Lowe's departure, the Board agreed to accelerate the vesting of the remaining 153,125 RSUs, and extend the exercise period on 205,896 vested options currently held to June 10, 2023. Additionally as part of the severance agreement, the Company made a cash severance payment of \$354,750 to Mr. Lowe.

Note 9. Income Taxes

The Company has a history of losses and expects to record a loss in 2022.

The Company accounts for income taxes under ASC Topic 740 – Income Taxes. Under this standard, deferred tax assets and liabilities are recognized for future tax benefits or consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The income tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate as adjusted for discrete items arising in that quarter. The effective income tax rate was 0.7% and nil for the three and six months ended June 30, 2022, respectively. The effective tax rate differs from the U.S. statutory rate primarily due to the full valuation allowance on the Company's net deferred tax assets as it is more likely than not that all of the deferred tax assets will be realized. The Company recorded a discrete tax benefit of \$0.3 million in the three months ended June 30, 2022 due to the release of valuation allowance in connection with the acquisition of Novosteo.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") into law. On December 21, 2020, President Trump also signed into law the Consolidated Appropriations Act, 2021 ("CAA Act") which includes further COVID-19 economic relief and extension of certain expiring tax provisions. The Company has reviewed the aspects of these laws as it relates to the income taxes and has concluded that at this time, the CARES Act and CAA Act did not have material impact to the Company's 2021 provision for income taxes. The Company will continue to evaluate changes and revisions of the CARES Act and CAA Act and their impact on the Company's financial position, results of operations and cash flows.

Note 10. Net Loss Per Share

The following outstanding potentially dilutive shares have been excluded from the calculation of diluted net loss per share for the period presented due to their anti-dilutive effect:

	June 30,	
	2022	2021
Stock options issued and outstanding	9,378,276	4,978,919
Performance stock options	—	675,000
Restricted stock units	533,665	—
Restricted stock awards	506,100	—
Total	<u>10,418,041</u>	<u>5,653,919</u>

Note 11. Business Combination

On May 19, 2022, the Company completed the Acquisition. Pursuant to the terms of the Merger Agreement, at the closing of the Acquisition (the "Effective Time"), each share of capital stock of Novosteo (the "Novosteo Capital Stock") that was issued and outstanding immediately prior to the Effective Time was automatically cancelled and converted into the right to receive 0.0911 shares of common stock, par value \$0.001 per share, of the Company (the "Company Common Stock"). These shares included options to purchase an aggregate of 507,108 shares of the Company Common Stock upon conversion of the outstanding Novosteo options based on the Company Option Exchange Ratio (as defined in the Merger Agreement), with the awards retaining the same vesting and other terms and conditions as in effect immediately prior to consummation of the Acquisition. These options, as well as 519,216 unvested restricted shares were concluded to be post-combination expense and were excluded from purchase consideration.

The Company has included the financial results of Novosteo in the condensed consolidated financial statements from the date of the Acquisition and recorded immaterial amounts of expenses and earnings since the period from May 19, 2022 through June 30, 2022. The transaction costs associated with the Acquisition were approximately \$1.1 million and were recorded in general and administrative expense. The acquisition date fair value of the consideration transferred for Novosteo was approximately \$16,502,587, which consisted of 5,000,784 shares at \$3.30 per share.

The Company accounted for the Acquisition as a business combination in accordance with ASC Topic 805, Business Combinations ("ASC 805"). The Company applied the acquisition method, which requires the identifiable assets acquired and liabilities assumed be recorded at fair value with limited exceptions. The following table summarizes the fair values of the identifiable assets acquired and liabilities assumed as of the date of acquisition (in thousands):

	May 19,	
	2022	
Identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents	\$	10,593
Prepaid expenses and other current assets		1,040
ROU asset		124
Property and equipment		279
Intangible assets		5,900
Accounts payable and accrued liabilities		(1,726)
Deferred tax liabilities		(532)
Net assets acquired	\$	<u>15,678</u>
Goodwill	\$	<u>825</u>

The final determination of the fair value of assets and liabilities will be completed within the one-year measurement period as required by ASC 805. The Novosteo, Inc. Acquisition will necessitate the use of this measurement period to adequately analyze and assess the factors used in establishing the fair values of the net assets acquired as of the acquisition date, primarily involving deferred tax liabilities.

The excess of the fair value of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the assembled workforce and expanded market opportunities, for which there is no basis for U.S. income tax purposes. Goodwill amounts are not amortized but are rather tested for impairment at least annually. Goodwill is not deductible for tax purposes.

The Intangible asset balance above is attributable to in-process research and development with an indefinite useful life.

The amounts of the Company's revenue and net loss included in the acquirer's condensed consolidated statement of operations and comprehensive loss for the three and six months ended June 30, 2022 and 2021, and the unaudited pro forma revenue and net loss of the combined entity had the acquisition date been January 2, 2021 are as follows:

	Three Months Ended		Six Months Ended	
	2022	2021	2022	2021
Revenue	\$ 262	\$ 202	\$ 262	\$ 220
Net loss	(16,265)	(24,353)	(39,421)	(48,568)

The 2022 supplemental pro forma earnings were adjusted to exclude \$2.2 million of acquisition-related costs incurred in 2022, the 2021 pro forma earnings were adjusted to include these charges. The Company's condensed consolidated income statements for the three and six months ended June 30, 2022 include net revenue and net loss of \$0 and \$0.1 million, respectively, attributable to the Acquisition.

Note 12. Intangible Assets

The intangible asset acquired as a result of the Acquisition consists of in-process research and development ("IPRD") related to NOV004, the Company's bone targeting molecule designed to accelerate fracture repair. The value of the IPRD was determined using discounted probable future cash flows. Significant assumptions used in determining the value of the intellectual property were:

Significant assumptions used in determining the value of the intellectual property include the initiation of clinical trials and NDA approval with respect to NOV004, probability of reaching various phases of development, costs and cost of goods sold, and the risk adjusted discount rate applied to the cash flows.

All intangible assets acquired in a business combination that are used in research and development activities are capitalized as indefinite-lived intangible assets. During the period that those assets are considered indefinite lived, they are not amortized but are tested for impairment. Once the research and development efforts are completed, the asset will be amortized over its remaining useful life. If the research and development efforts are abandoned, the intangible asset will be expensed in that period.

The following table provides details of the carrying amount of our indefinite-lived intangible asset (in thousands):

	June 30,	
	2022	
Unamortized intangible assets:		
Goodwill	\$	825
In-process research and development	\$	5,900

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with (i) our unaudited condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and (ii) our audited financial statements and related notes and management’s discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission (the “SEC”), on March 1, 2022. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to the “Company,” “Quince,” “we,” “us” and “our” refer to Quince Therapeutics, Inc. and “our legacy assets” refer to atuzaginstat (COR388), COR588, COR852, and COR803, collectively.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this quarterly report, including statements regarding our future results of operations and financial position, business strategy, prospective products, product approvals, research and development costs, timing and likelihood of success, plans and objectives of management for future operations, adequacy of our cash resources and working capital, impact of COVID-19 pandemic on our research and development activities and business operations, and future results of anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. The forward-looking statements in this quarterly report are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in this Quarterly Report in Part II, Item 1A - “Risk Factors,” and in our Annual Report on Form 10-K for the year ended December 31, 2021 and elsewhere in this Quarterly Report on Form 10-Q and in other filings we make with the SEC from time to time. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties. These forward-looking statements speak only as of the date hereof. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Overview

We are a preclinical stage biopharmaceutical company focused on advancing innovative precision therapeutics for debilitating and rare diseases. The company discovered a broad bone-targeting drug platform designed to precisely deliver small molecules, peptides, or large molecules directly to the site of bone fracture and disease to promote more rapid healing with fewer off-target safety concerns compared to non-targeted therapeutics. Our discovery pipeline is positioned for rapid expansion across multiple skeletal therapeutic indications to address underserved therapeutic areas with major, unmet medical needs, including osteogenesis imperfecta, fractures, spinal fusion, and other severe bone diseases. Additionally, our pipeline includes small molecule therapeutics available for out-licensing that target the infectious pathogen *P. gingivalis*’ role in degenerative disease progression, including for indications such as Alzheimer’s disease, periodontal disease, and oral potentially malignant disorders, , among others.

Business Acquisition

On May 19, 2022, we acquired all of the equity voting interests and completed the acquisition of Novosteo, Inc. (“Novosteo”), a Delaware corporation, pursuant to that certain Agreement and Plan of Merger and Reorganization dated as of May 9, 2022, by and among the Company, Quince Merger Sub I, Inc., a Delaware corporation and a wholly owned subsidiary of the Company, Quince Merger Sub II, LLC, a Delaware limited liability company and a wholly owned subsidiary of Company, Novosteo, and Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as the securityholders’ representative. To affect this transaction a combination of transactions was executed with the intention of being treated as integrated steps in a single transaction resulting in Novosteo being a wholly owned subsidiary of the Company.

Pursuant to the terms of the Merger Agreement, at the closing of the Acquisition (the “Effective Time”), each share of capital stock of Novosteo that was issued and outstanding immediately prior to the Effective Time was automatically cancelled and

converted into the right to receive 0.0911 shares of common stock, par value \$0.001 per share. We issued 5,520,000 shares of common stock representing approximately 15.5% of outstanding stock on the completion of the Acquisition. We also assumed 507,108 options to purchase shares of our common stock upon conversion of the outstanding Novosteo options with awards retaining the same vesting and other terms and conditions as in effect immediately prior to consummation of the Acquisition.

In conjunction with the Acquisition, we appointed Novosteo executives Dirk Thye, M.D. as Chief Executive Officer, Dr. Karen Smith, M.D., Ph.D. as Chief Medical Officer and Brendan Hannah as Chief Business Officer. We also appointed Dr. Thye and Phillip S. Low, Ph.D. to our Board of Directors as Class II and Class I directors, respectively.

From our inception, we have been focused on novel therapeutic approaches to improve the lives of patients diagnosed with Alzheimer's and other degenerative diseases. Our company was initially founded on the seminal discovery of the presence of *Porphyrromonas gingivalis*, or *P. gingivalis*, and its secreted toxic virulence factor proteases, called gingipains, in the relevant brain areas of both Alzheimer's and Parkinson's disease patients. The acquisition of Novosteo, and the addition of new executive management has allowed us to strategically shift focus and prioritize the internal development of our innovative bone-targeting drug platform and lead compound NOV004 for development for rare skeletal diseases, bone fractures, and injury. We plan to advance the gingipain and 3CLpro inhibitor programs through a proactive out-licensing effort.

Effective August 1, 2022, we changed our corporate name to Quince Therapeutics, Inc. and our ticker symbol to "QNCX".

Company Management and Board Member Changes

On May 20, 2022, we announced the departure of Caryn McDowell, our Chief Legal and Administrative Officer and Corporate Secretary, effective as of July 8, 2022 (the "CLO Departure Date"). In connection with the departure of Ms. McDowell, we entered into a transition agreement (the "CLO Separation Agreement") with Ms. McDowell on May 19, 2022, providing for (i) a release of claims against us; (ii) cash severance payments of \$339,000, which equals to nine months of Ms. McDowell's 2022 base salary, to be paid in a lump sum; and (iii) certain health care continuation benefits. The CLO Separation Agreement also provides for an accelerated vesting of the restricted stock award issued to Ms. McDowell on March 3, 2022 and an extension of the post-termination exercise period for all vested stock options or other equity awards held by Ms. McDowell through the twelve-month period following the CLO Departure Date, provided that the specified severance preconditions are met. In addition, in the event we consummate a change in control within three months after the CLO Departure Date, subject to satisfaction of specified conditions, Ms. McDowell would also be entitled to additional cash severance and COBRA coverage, payment of target annual bonus and accelerated vesting with respect to her equity awards.

On June 8, 2022, Christopher Lowe, the Chief Financial Officer, Chief Operating Officer and a member of the Board of Directors, resigned as a member of the Board, effective immediately. Mr. Lowe has also resigned from his roles as the Chief Financial Officer and Chief Operating Officer, effective as of June 10, 2022 (the "CFO Departure Date"). In connection with the departure of Mr. Lowe, we entered into a separation agreement (the "CFO Separation Agreement") with Mr. Lowe on June 10, 2022, providing for (i) a release of claims against us; (ii) cash severance payments of \$354,750, which equals to nine months of Mr. Lowe's 2022 base salary, to be paid in accordance with our normal payroll practices; and (iii) certain health care continuation benefits. The CFO Separation Agreement also provides for an accelerated vesting of the restricted stock award issued to Mr. Lowe on March 3, 2022 and an extension of the post-termination exercise period for all vested stock options or other equity awards held by Mr. Lowe through the twelve-month period following the CFO Departure Date, provided that the specified severance preconditions are met. In addition, in the event we consummate a change in control within three months after the CFO Departure Date, subject to satisfaction of specified conditions, Mr. Lowe would also be entitled to additional cash severance and COBRA coverage, payment of target annual bonus and accelerated vesting with respect to his equity awards.

On June 9, 2022, we designated Ted Monohon, Chief Accounting Officer and Vice President of Finance, as the principal financial officer, to fill the vacancy resulting from Mr. Lowe's resignation. Mr. Monohon will serve as the principal financial officer in addition to his role as a principal accounting officer.

On June 9, 2022, upon recommendation of the Nominating and Corporate Governance Committee of the Board, the Board appointed June Bray to serve as a Class III director, effective immediately, to fill the vacant directorship, until her successor is elected and qualified, or sooner in the event of her death, resignation or removal. Ms. Bray joins the class of directors whose term expires at our 2025 annual stockholders' meeting.

On July 22, 2022, we announced the departure of Leslie Holsinger, Ph.D., the Executive Vice President of Research and Development, effective as of July 31, 2022 (the "EVP of Research Departure Date"). The Separation Agreement provides for (i) a release of claims against the Company, (ii) cash severance payments of \$339,000, which equals to nine months of Dr. Holsinger's 2022 base salary, to be paid in a lump sum; and (iii) certain health care continuation benefits. The Separation Agreement also provides

for an extension of the post-termination exercise period for all vested stock options or other equity awards held by each of Dr. Holsinger through the twelve-month period following the VP of Research Departure Date, in each case provided that the specified severance preconditions are met. In addition, in the event the Company consummates a change in control within three months after the EVP of Research Departure Date, subject to satisfaction of specified conditions, Dr. Holsinger would also be entitled to additional cash severance and COBRA coverage, payment of target annual bonus, and accelerated vesting with respect to her equity awards. The Company and Dr. Holsinger anticipate entering into a consulting agreement to facilitate the transition of activities until the end of the year.

Drug Candidate Portfolio

NOV004

NOV004 is a systemically administered bone anabolic peptide engineered to target and concentrate at bone fracture sites. By improving fracture site accumulation and retention, NOV004 stimulates a robust healing response in preclinical studies. Notable preclinical observations include:

- In a fracture induction study in healthy mice, at 3 weeks post femur fracture, NOV004 treated mice could withstand greater than 1.5 times the force in a four-point bend test compared to both the vehicle controls and the non-targeted bone anabolic peptide at the same point in time.
- Similar improvements in fracture repair have been observed in mouse bone fracture models with comorbidities such as osteoporosis, diabetes, or osteogenesis imperfecta – a rare genetic bone disease that manifests in skeletal deformities and high fracture rates.
- Other improvements in fracture repair were observed by tracking animal's voluntary movements. As early as 12 days post fracture, mice treated with NOV004 moved significantly faster, as measured by cm/s travelled, than either the mice treated with vehicle or ibuprofen (8.1 cm/s vs 6.0 cm/s and 5.5cm/s respectively). In addition, by day 28, both distance traveled (cm) and time spent (seconds) were also significantly higher in NOV004 treated mice compared to vehicle or ibuprofen controls.

Quince plans to progress towards an IND submission for NOV004 in the first half of 2023.

Atuzaginstat (COR388)

Atuzaginstat (COR388) is a novel, orally-administered, small molecule, bacterial protease inhibitor targeting gingipains produced by the periodontal pathogen *Porphyromonas gingivalis* (*P. gingivalis*). This pathogen has been associated with several diseases in humans including Alzheimer's Disease, Periodontal Disease and certain head and neck cancers. We are currently exploring the therapeutic effect of atuzaginstat (COR388) on the below indications.

Alzheimer's Disease

On October 26, 2021, we announced top-line results from our global Phase 2/3 clinical trial of atuzaginstat (COR388), called the GAIN (GingipAIN Inhibitor for Treatment of Alzheimer's Disease) trial, in mild to moderate Alzheimer's patients. The 643-participant study did not meet statistical significance on its co-primary cognitive and functional endpoints as measured by ADAS-Cog11 and ADCS-ADL at end of the treatment period in the overall cohort. The study did show a dose response for a pre-specified subgroup of participants with *P. gingivalis* DNA detectable in saliva at baseline (n=242), with a 57% slowing of cognitive decline as measured by ADAS-Cog11 in the 80 mg BID arm (p=0.02) and a 42% slowing in the 40 mg BID arm (p=0.07) vs. placebo. No benefits in this subgroup were seen on the other co-primary, ADCS-ADL. The study also indicated that most adverse events were mild to moderate in severity. The most common were gastrointestinal, such as diarrhea in up to 16% and nausea in 6% of participants treated with atuzaginstat (COR388) vs. 3% and 2% of placebo participants, respectively. Atuzaginstat (COR388) was associated with dose-related liver enzyme elevations >3X the upper limit of normal: 2% on placebo, 7% on 40 mg BID, and 15% on 80 mg BID. These elevations alone were not clinically significant, and virtually all participants were asymptomatic. Two participants in the 80 mg BID arm had concomitant bilirubin elevations without alternative explanation. Lab changes resolved while participants remained on drug or after withdrawal without any known long-term adverse effects.

On January 25, 2022, we received a letter from the Food and Drug Administration ("FDA") Division of Neurology 1 placing a full clinical hold on the IND application for atuzaginstat (COR388). We believe atuzaginstat (COR388) holds therapeutic potential in non-CNS indications, including Oncology and Periodontitis, however, we intend to only continue development of atuzaginstat through external out-licensing or partnership opportunities.

Periodontal Disease

P. gingivalis has been identified as a key pathogen in the development of periodontal disease. Periodontal disease is a common age-related disease affecting nearly 50% of the population over 50 years of age, or 65 million people, in the United States. The disease presents with symptoms including chronic inflammation, degeneration of gum tissue and tooth loss. Periodontal disease is associated with increased risk of cardiovascular disease, diabetes and certain cancers. The disease is often chronic and recurring due to persistent bacterial infection and antibiotic resistance. Current standard of care for the treatment of periodontal disease commonly involves scaling and root planning to remove bacterial plaque and tartar, in addition to local delivery of antibiotics in some cases. Atuzaginstat (COR388) reduced periodontal disease and associated bone loss in multiple animal models of periodontal disease. Target engagement and efficacy data for atuzaginstat (COR388) in aged dogs was published in January 2020 in the journal *Pharmacology Research and Perspectives*.

The GAIN Trial sub-study in periodontal disease demonstrated a trend to benefit on the primary clinical endpoint of pocket depth in the same pre-specified sub-group with *P. gingivalis* DNA detectable in saliva.

We are examining alternative formulations of atuzaginstat (COR388) and alternative molecules in our library of gingipain inhibitors to address periodontal disease in a non-systemic manner. We believe the inhibition of gingipains from *P. gingivalis*, and the disruption of biofilms directly in the oral cavity, may provide a therapeutic benefit to patients. We intend to only continue development of atuzaginstat (COR388) through external out-licensing or partnership opportunities.

Oncology

We are examining atuzaginstat (COR388), to prevent the development of oral/head and neck squamous cell carcinoma (O/HNSCC). *P. gingivalis* infection is associated with the development of O/HNSCC, and also with a significantly worse overall survival in patients with *P. gingivalis* positive O/HNSCC. Most cases of O/HNSCC are preceded by high-risk oral potentially malignant diseases (OPMD), including oral pre-malignant dysplasia, proliferative verrucous leukoplakia (PVL), and carcinoma-in-situ.

Non-clinical studies and peer-reviewed literature support the testing of atuzaginstat (COR388) as a therapy for *P. gingivalis* positive, high-risk OPMDs and could reduce the incidence and progression to oral squamous cell carcinoma based upon the mode of action and the evidence demonstrating the benefits of atuzaginstat (COR388) on *P. gingivalis*-driven tumor growth and PDL1 expression.

We held a pre-IND meeting with FDA in August of 2021 and believe we are able to advance atuzaginstat (COR388) in certain oncology indications. We expect to advance this asset only if we are successful in out-licensing or partnering the asset.

COR588

COR588 is a second-generation brain penetrant lysine gingipain inhibitor which has completed IND-enabling studies. We began a Phase 1 SAD/MAD trial of COR588 in a cohort of healthy participants in Australia in August 2021. In March 2022, we announced results from the SAD portion of the Phase 1 trial and in July 2022 we announced results from the MAD portion of the Phase 1 trial. Preliminary results indicate COR588 was well-tolerated across all cohorts in the dose range from 25 mg to 200 mg with no serious adverse events. No clinically significant findings were observed on other safety measures, including vital signs, laboratory findings, telemetry, or ECGs. We expect to advance this program only if we are successful in out-licensing or partnering the asset.

COR 803

COR803 for coronavirus is a novel patent-pending small molecule 3CL pro inhibitor discovered and developed by us based on our expertise in cysteine protease inhibition.

Coronavirus

We selected COR803 as a lead compound for treatment of coronavirus infections, including COVID-19 disease, caused by SARS-CoV-2 infection. 3CLpro, or Mpro, is a validated antiviral drug target shown to be essential in viral replication of SARS-CoV-2. COR803 has beneficial properties over other COVID-19 therapeutics and 3CLpro inhibitors in development including high potency as assessed using human lung cell viral replication assays; and high selectivity for 3CLpro versus other cellular proteases.

In June 2022, we announced key findings from our latest mouse study of COR803:

- A decrease of virus titer in lung tissue after four days of treatment compared to vehicle control;
- Comparable efficacy in animals orally dosed twice daily vs dosed once daily; and
- Decreased lung weights in COR803 treated versus vehicle-treated animals, indicating improved pathology. Histopathological analysis is ongoing.

The target of COR803 is highly conserved across coronavirus strains observed to date and, therefore, has the potential to address both current and future coronavirus infection. We believe COR803 has beneficial properties over other COVID-19 therapeutics and 3CLpro inhibitors in development, including:

- A chemical reaction that leads to covalent irreversible binding of the viral 3CLpro enzyme;
- High potency: Antiviral EC90 of 12 nM in human lung cell viral replication assays;
- Broad spectrum activity against multiple coronaviruses;
- Highly selective for 3CLpro versus other cellular proteases, including Cathepsin L; and
- Excellent systemic exposure in preclinical models utilizing oral, intranasal or subcutaneous administration, allowing for clinical use in multiple settings, such as outpatient and inpatient.

We are currently exploring partnership and licensing opportunities to support the future development of COR803.

Platform and Pipeline

NOV004 was discovered using our broad drug-targeting platform designed to precisely deliver small molecules, peptides, or large molecules directly to the site of bone fracture and disease to promote more rapid healing with fewer off-target safety concerns compared to non-targeted therapeutics. Our discovery pipeline is positioned for rapid expansion across multiple skeletal therapeutic indications to address underserved therapeutic areas with major, unmet medical needs, including osteogenesis imperfecta, fractures, spinal fusion, and other severe bone diseases. We plan to expand our discovery efforts utilizing our drug-targeting platform and will advance candidates with internal funding and through external partnerships.

Business Update Regarding COVID-19

The current COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting our employees, patients, communities and business operations, as well as the U.S. economy and financial markets. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets.

To date, our employees, vendors and clinical trial sites have been able to complete our GAIN clinical trial, advance our Phase 1 clinical trial for COR588 and conduct other preclinical and IND-enabling studies for our other pipeline assets. At this time the impact of the COVID-19 pandemic has not resulted in changes to our previously stated analysis timelines. We are continuing to assess the potential impact of the COVID-19 pandemic on our business and operations, including our expenses, preclinical operations and clinical trials. All employees have returned to their pre-pandemic work locations and activities. We continue to assess the risks which take into account applicable public health authority and local government guidelines and are designed to ensure community and employee safety. The Company has not experienced significant hinderances to its operations or material negative financial impacts as compared to prior periods.

All employees have returned to their pre-pandemic work locations and activities. However, the effects of the COVID-19 pandemic continue to rapidly evolve and we may have to resume a more restrictive remote work model or close again certain of our offices, whether as a result of spikes or surges in COVID-19 infection or hospitalization rates or public authority mandates. Also, as long as the pandemic continues, our employees may be exposed to health risks. We are not currently experiencing any significant supply chain disruptions due to COVID-19. We have diversified our vendor relationships geographically for both starting materials and manufacturing. However, in the future, the ongoing COVID-19 pandemic, may result in the inability of some of our suppliers to deliver drug supplies on a timely basis. We have taken and continue to take proactive measures to maintain the integrity of our ongoing clinical trial. Despite these efforts, the COVID-19 pandemic could impact timelines, subject follow up visits and study completion. We will continue to monitor the COVID-19 situation and its impact on the ability to continue the development of, and seek regulatory approvals for, our product candidates.

For additional information on the various risks posed by the COVID-19 pandemic, please read Item 1A. Risk Factors included in this Quarterly Report on Form 10-Q.

Financial Overview

Since commencing material operations in 2014, we have devoted substantially all of our efforts and financial resources to building our research and development capabilities, establishing our corporate infrastructure and most recently, executing our Phase 1a, Phase 1b and Phase 2/3 clinical trials of atuzaginstat (COR388) and our Phase I SAD/MAD clinical trial of COR588.

To date, we have not generated any product revenue and we have never been profitable. We have incurred net losses since the commencement of our operations. As of June 30, 2022, we had an accumulated deficit of \$274.8 million. We incurred a net loss of \$16.8 million and \$38.5 million in the three and six months ended June 30, 2022. We do not expect to generate product revenue unless and until we obtain marketing approval for and commercialize a drug candidate, and we cannot assure you that we will ever generate significant revenue or profits.

To date, we have financed our operations primarily through the issuance and sale of convertible promissory notes and redeemable convertible preferred stock and common stock. From inception through June 30, 2022, we received net proceeds of approximately \$303.7 million from the issuance of redeemable convertible preferred stock, convertible promissory notes and common stock.

On December 23, 2021, we entered into an Open Market Sales Agreement, with Jefferies LLC, or sales agreement, whereby we may sell up to \$150.0 million in aggregate proceeds of common stock from time to time, through Jefferies as our sales agent. During the three and six months ended June 30, 2022, we sold \$0 and 51,769 shares of common stock, respectively, under the sales agreement and received net proceeds of \$0 and \$0.6 million, respectively.

As of June 30, 2022 and December 31, 2021, we had cash, cash equivalents and short-term investments of \$94.7 million and \$106.8 million, respectively. The balances exclude long-term investments of \$11.0 million and \$19.9 million as of those same periods. Our cash equivalents, short-term and long-term investments are held in money market funds, certificate of deposits, repurchase agreements, investments in corporate debt securities, municipal debt obligations and government agency obligations.

We believe that our existing cash, cash equivalents and investments will be sufficient to fund our planned operations into the second half of 2025. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect.

We expect to incur substantial expenditures in the foreseeable future as we develop our pipeline and advance our drug candidates through preclinical and clinical development, the regulatory approval process and, if approved, commercial launch activities. Specifically, in the near term we expect to incur substantial expenses relating to our ongoing and planned clinical trials, the development and validation of our manufacturing processes, and other development activities.

We will need substantial additional funding to support our continuing operations and pursue our development strategy. Until such time as we can generate significant revenue from sales of an approved drug, if ever, we expect to finance our operations through the sale of equity, debt financings or other capital sources. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our drug candidates or delay our efforts to expand our product pipeline.

Critical Accounting Policies and Significant Judgments and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the 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 or conditions.

We believe that the assumptions and estimates associated with accrued research and development expenditures, stock-based compensation, and assumptions regarding intangible valuation resulting from the Acquisition have the most significant impact on our condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

The following critical accounting policies are described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies, Significant Judgements and Use Estimates” in our 2021 Annual Report on Form 10-K and the notes to the unaudited condensed consolidated financial statements included in Item 1, “Unaudited Financial Statements,” of this Quarterly Report on Form 10-Q. We believe that of our critical accounting policies, the following accounting policies are the most critical to fully understanding and evaluating our financial condition and results of operations:

- Research and Development Expenses;
- Stock-Based Compensation Expense;
- Business Combinations; and
- Income Taxes

Below is a description of our Business Combination accounting policy for the six months ended June 30, 2022, which is our only change in our critical accounting policies from those as disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies, Significant Judgments and Use of Estimates” in our Annual Report.

Business Combination

The Company accounts for business combinations using the acquisition method pursuant to the Financial Accounting Standards Board (the “FASB”) Accounting Standards Codification (“ASC”) Topic 805. This method requires, among other things, that results of operations of acquired companies are included in the Company's financial results beginning on the respective acquisition dates, and that identifiable assets acquired and liabilities assumed are recognized at fair value as of the acquisition date. Intangible assets acquired in a business combination are recorded at fair value using a discounted cash flow model. The discounted cash flow model requires assumptions about the timing and amount of future net cash flows, the cost of capital and terminal values from the perspective of a market participant. Any excess of the fair value of consideration transferred (the “Purchase Price”) over the fair values of the net assets acquired is recognized as goodwill. The fair value of identifiable assets acquired and liabilities assumed in certain cases may be subject to revision based on the final determination of fair value during a period of time not to exceed 12 months from the acquisition date. Legal costs, due diligence costs, business valuation costs and all other acquisition-related costs are expensed when incurred.

Components of Results of Operations

Operating Expenses

Research and Development Expenses

Our research and development expenses consist of expenses incurred in connection with the research and development of our research programs. These expenses include payroll and personnel expenses, including stock-based compensation, for our research and product development employees, laboratory supplies, product licenses, consulting costs, contract research, regulatory, quality assurance, preclinical and clinical expenses, allocated rent, facilities costs and depreciation. We expense both internal and external research and development costs as they are incurred. Non-refundable advance payments and deposits for services that will be used or rendered for future research and development activities are recorded as prepaid expenses and recognized as an expense as the related services are performed.

To date, our research and development expenses have supported the advancement of atuzaginstat (COR388) and COR588 and to a lesser extent our other drug candidates in preclinical development. We expect that at least for the foreseeable future, a substantial majority of our research and development expense will support the clinical and regulatory development of NOV004.

We expect our research and development expenses to increase during the next few years from current levels as we seek to complete existing and initiate additional clinical trials, pursue regulatory approval of NOV004 and advance other drug candidates into clinical development. Over the next few years, we expect our preclinical, clinical and contract manufacturing expenses to increase relative to our current levels. Predicting the timing or the final cost to complete our clinical program or validation of our manufacturing and supply processes is difficult and delays may occur because of many factors.

The duration, costs and timing of our clinical trial and development of our product candidates will depend on a variety of factors that include, but are not limited to, the following:

- per patient trial costs;
- biomarker analysis costs;
- the cost and timing of drug manufacturing for the trials;
- the number of patients that participate in the trials;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the length of time required to enroll eligible patients;
- the screening, randomization, drop-out or discontinuation rates of patients;
- potential additional safety monitoring or other studies requested by regulatory agencies; and
- the efficacy and safety profile of the product candidates.

In addition, the probability of success for each product candidate will depend on numerous factors, including safety, efficacy, competition, manufacturing capability and commercial viability. We will determine which programs to pursue and how much to fund each program in response to the scientific and clinical success of each product candidate, as well as an assessment of each product candidate's commercial potential.

Because our product candidates are still in preclinical or clinical development and the outcome of these efforts is uncertain, we cannot estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidate or whether, or when, we may achieve profitability.

The COVID-19 pandemic may have an adverse impact on our operations, supply chains, our current or future clinical trials, and increase our expenses, including as a result of impacts associated with preventive and precautionary measures that we, other businesses and governments are taking.

General and Administrative

General and administrative expenses consist principally of personnel-related costs, including payroll and stock-based compensation, for personnel in executive, finance, human resources, business and corporate development, and other administrative functions, professional fees for legal, consulting, insurance and accounting services, allocated rent and other facilities costs, depreciation, and other general operating expenses not otherwise classified as research and development expenses.

We anticipate that our general and administrative expenses will increase as the size of our business operations grows to support additional research and development activities.

Interest Income

Interest and other income, net consists primarily of interest earned on our short-term and long-term investments portfolio.

Results of Operations

Comparison of the three months ended June 30, 2022 to the three months ended June 30, 2021

The following sets forth our results of operations for the three months ended June 30, 2022 and 2021 (in thousands):

	Three Months Ended June 30,		Change	
	2022	2021	\$	%
Operating expenses:				
Research and development	\$ 7,199	\$ 14,719	\$ (7,520)	(51.1) %
General and administrative	9,059	7,064	1,995	28.2 %
Loss from operations	(16,258)	(21,783)	5,525	(25.4) %
Interest income	145	160	(15)	(9.4) %
Other expense, net	(735)	(131)	(604)	461.1 %
Net loss before income tax benefit	(16,848)	(21,754)	4,906	(22.6) %
Income tax benefit	284	—	284	100.0 %
Net loss	\$ (16,564)	\$ (21,754)	\$ 5,190	(23.9) %

Research and Development Expenses (in thousands):

	Three Months Ended June 30,		Change	
	2022	2021	\$	%
Direct research and development expenses:				
Atuzaginstat (COR388)	\$ 143	\$ 6,732	\$ (6,589)	(97.9) %
COR588	1,837	1,195	642	53.7 %
NOV004	319	—	319	100.0 %
Other direct research costs	553	910	(357)	(39.2) %
Indirect research and development expenses:				
Personnel related (including stock-based compensation)	4,035	5,277	(1,242)	(23.5) %
Facilities and other research and development expenses	312	605	(293)	(48.4) %
Total research and development expenses	\$ 7,199	\$ 14,719	\$ (7,520)	(51.1) %

Research and development expenses were \$7.2 million for the three months ended June 30, 2022, compared to \$14.7 million for the three months ended June 30, 2021, a decrease of \$7.5 million.

The costs for atuzaginstat (COR388) decreased \$6.6 million from the prior year due to a decrease of \$4.0 million in clinical trial costs, a \$1.0 million decrease in drug manufacturing costs, and a decrease in non-clinical analysis related to the GAIN trial of \$0.9 million, a \$0.6 million decrease in consulting expenses related to atuzaginstat (COR388), and a \$0.1 million decrease in the depreciation of our financing lease.

In the quarter ended June 30, 2022, we completed the Phase 1 SAD/MAD trial for our new compound COR588 in a cohort of healthy participants in Australia. The costs for COR588 increased \$0.6 million from the prior year due to \$0.1 million in clinical trial costs and \$0.5 million for non-clinical work supporting COR588.

In the quarter ended June 30, 2022, the costs for NOV004 increased by \$0.3 million after the Acquisition on May 19, 2022, primarily in drug manufacturing costs. We anticipate expense increases related to NOV004 to increase from current levels as we advance this asset to a Phase 1 clinical trial in 2023.

Other direct research costs decreased \$0.4 million primarily due to the winddown of pipeline development of our two arginine gingipain inhibitors, COR788 and COR822, our 3CLpro inhibitor, COR803, COR852 and other preclinical research.

We do not expect to incur significant future costs related to atuzaginstat (COR388) or COR588 as we advance our legacy neuroscience and antiviral assets through a proactive out-licensing efforts.

We also incurred decreases of \$1.2 million in personnel related expenses due to a \$1.3 million decrease in allocated stock-based compensation costs and a decrease of \$0.9 million for decreased headcount year over year, offset by an increase in severance expenses of \$1.0 million related to our rationalization of our operational costs and shift in our focus to prioritize our internal development of our bone-targeting drug platform.

Facilities and other research and development expenses decreased \$0.3 million for the three months ended June 30, 2022, as compared to the three months ended June 30, 2021 primarily due to a \$0.2 million decrease in regulatory, quality assurance, and other consulting expenses and a \$0.1 million decrease in rent and facilities expenses.

General and Administrative Expenses

General and administrative expenses increased by \$2.0 million to \$9.1 million for the three months ended June 30, 2022 from \$7.1 million for the three months ended June 30, 2021. The increase in general and administrative expenses is primarily due to an increase of \$0.7 million in personnel related expenses due to severance expenses offset by a \$0.4 million decrease in allocated stock-based compensation expense, an increase in legal expenses of \$1.1 million related to the Acquisition, and \$0.6 million increase in other legal compliance costs.

Interest Income

Interest income was \$0.1 million for the three months ended June 30, 2022 compared to \$0.2 million for the three months ended June 30, 2021. The decrease was a result of decreased average cash and investment balances. We anticipate higher investment yields as short-term interest rates continue to rise.

Other Expense

Other expense increased by \$0.6 million for the three months ended June 30, 2022, primarily due to unrealized losses resulting from changes in foreign exchange rates, as well as a \$0.2 million increase related to the San Diego lease impairment loss and loss on disposal of fixed assets.

Income tax

We recorded an \$0.3 million income tax benefit for the three months ended June 30, 2022 as a result of the acquisition of Novosteo.

Comparison of the six months ended June 30, 2022 to the six months ended June 30, 2021

The following sets forth our results of operations for the six months ended June 30, 2022 and 2021 (in thousands):

	Six Months Ended June 30,		Change	
	2022	2021	\$	%
Operating expenses:				
Research and development	\$ 19,960	\$ 31,543	\$ (11,583)	(36.7) %
General and administrative	18,116	13,553	4,563	33.7 %
Loss from operations	(38,076)	(45,096)	7,020	(15.6) %
Interest income	217	387	(170)	(43.9) %
Other expense, net	(630)	(131)	(499)	380.9 %
Net loss before income tax benefit	(38,489)	(44,840)	6,351	(14.2) %
Income tax benefit	284	—	284	100.0 %
Net loss	<u>\$ (38,205)</u>	<u>\$ (44,840)</u>	<u>\$ 6,635</u>	<u>(14.8) %</u>

Research and Development Expenses (in thousands):

	Six Months Ended June 30,		Change	
	2022	2021	\$	%
Direct research and development expenses:				
Atuzaginstat (COR388)	\$ 1,261	\$ 15,105	\$ (13,844)	(91.7) %
COR588	4,011	2,633	1,378	52.3 %
NOV004	319	—	319	100.0 %
Other direct research costs	1,407	1,785	(378)	(21.2) %
Indirect research and development expenses:				
Personnel related (including stock-based compensation)	12,337	10,984	1,353	12.3 %
Facilities and other research and development expenses	625	1,036	(411)	(39.7) %
Total research and development expenses	<u>\$ 19,960</u>	<u>\$ 31,543</u>	<u>\$ (11,583)</u>	<u>(36.7) %</u>

Research and development expenses were \$20.0 million for the six months ended June 30, 2022, compared to \$31.5 million for the six months ended June 30, 2021, a decrease of \$11.6 million.

The costs for atuzaginstat (COR388) development decreased \$13.8 million from the same period in the prior year due to a decrease of \$9.2 million in clinical trial costs, a \$2.1 million decrease in drug manufacturing costs, a decrease in non-clinical analysis related to the GAIN trial samples of \$1.6 million, a \$0.9 million decrease in consulting expenses as the GAIN Phase 2/3 clinical trial concluded in late 2021. Costs incurred in 2022 related primarily to statistical and biomarker analysis.

During the six months ended June 30, 2022, we completed the Phase 1 SAD/MAD trial for our compound COR588 in a cohort of healthy participants in Australia. The costs for COR588 increased \$1.4 million from the same period in the prior year due to a \$0.6 million increase in clinical trial costs and \$0.7 million for non-clinical studies to support COR588, and a \$0.1 million increase in drug manufacturing costs.

Additionally, other direct research costs decreased \$0.4 million primarily due to the winddown of pipeline development of our two arginine gingipain inhibitors, COR788 and COR822, our 3CLpro inhibitor, COR803, COR852 and other preclinical research.

For the six months ended June 30, 2022, the costs for NOV004 increased by \$0.3 million after the Acquisition on May 19, 2022, primarily as a result of the increase in drug manufacturing costs. We anticipate expense increases related to NOV004 to increase from current levels as we advance this asset to a Phase 1 clinical trial in 2023.

For the six months ended June 30, 2022, we also experienced a net increase of \$1.3 million in personnel related expenses due to an increase in severance related expenses of \$2.0 million as we reorganized our operations primarily through head-count reductions offset by a decrease in compensation and benefit costs of \$0.7 million.

Facilities and other research and development expenses decreased \$0.4 million from the six months ended June 30, 2021 due to a \$0.3 million decrease in regulatory and quality assurance consulting costs and \$0.1 million decrease in the purchase of non-clinical supplies

General and Administrative Expenses

General and administrative expenses increased approximately \$4.6 million to \$18.1 million for the six months ended June 30, 2022 from \$13.6 million for the six months ended June 30, 2021. The increase in general and administrative expenses was primarily due to severances expenses of \$1.5 million and \$0.6 million increase in allocated stock-based compensation expense related to our operational reorganization and shift in our focus to prioritize our internal development of our bone-targeting drug platform. We also incurred a \$1.1 million increase in legal expenses related to the acquisition of Novosteo and \$1.0 million increase in other legal costs relating regulatory compliance. Additionally, we incurred increases of \$0.2 million in insurance expense, and a \$0.2 million increase in facilities expense.

Interest Income

Interest income was \$0.2 million for the six months ended June 30, 2022 compared to \$0.4 million for the six months ended June 30, 2021. The decrease was a result of decreased average cash and investment balances.

Other Expense

Other expense increased by \$0.5 million for the six months ended June 30, 2022, primarily due to unrealized losses resulting from changes in foreign exchange rates, as well as a \$0.2 million increase related to the San Diego lease impairment loss and loss on disposal of fixed assets.

Income tax

We recorded an \$0.3 million income tax benefit for the three months ended June 30, 2022 as a result of the acquisition of Novosteo.

Liquidity, Capital Resources and Plan of Operations

We have incurred cumulative net losses and negative cash flows from operations since our inception and anticipate we will continue to incur net losses for the foreseeable future. As of June 30, 2022, we had an accumulated deficit of \$274.8 million. and we had cash, cash equivalents and investments of \$105.7 million.

Based on our existing business plan, we believe that our existing cash, cash equivalents and investments will be sufficient to fund our anticipated level of operations through into the second half of 2025.

Capital Resources

Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures related to NOV004, atuzaginstat (COR388), COR588, and other research efforts, and to a lesser extent, general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

Our product candidates are in various stages of drug development, including pre-IND and clinical development and the outcome of these efforts is uncertain. Accordingly, we cannot estimate the actual amounts necessary to successfully complete the development and commercialization of our product candidates or whether, or when, we may achieve profitability. We intend to enter into strategic partnerships/collaborations to develop atuzaginstat (COR388), COR588, COR852 and COR803 as we prioritize the internal development of our innovative bone-targeting drug platform and lead compound NOV004 for development.

In the near term, our primary uses of cash will be to fund our operations, including research and development, preclinical studies, drug manufacturing, other pre-IND activities, and personnel related expenses. Our uses of cash beyond the next 12 months will depend on many factors, including the general economic environment in which we operate and our ability to progress on our drug development timelines, which are uncertain but include Phase 1 study for NOV004 and development of other pipeline compounds.

We will continue to require additional capital to develop our drug candidates and fund operations for the foreseeable future. We may seek to raise capital through private or public equity or debt financings, collaborative or other arrangements with other companies, or through other sources of financing. Adequate additional funding may not be available to us on acceptable terms or at all. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategies. We anticipate that we will need to raise substantial additional capital, the requirements of which will depend on many factors, including:

- the progress, costs, trial design, results of and timing of our NOV004 Phase 1 SAD/MAD clinical trial
- the outcome, costs and timing of seeking and obtaining FDA, EMA and any other regulatory approvals;
- the number and characteristics of drug candidates that we pursue;
- our ability to manufacture sufficient quantities of our drug candidates;
- our need to expand our research and development activities;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- the costs of acquiring, licensing or investing in businesses, drug candidates and technologies;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to retain management and hire scientific and clinical personnel;
- the effect of competing drugs and drug candidates and other market developments;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems; and
- the economic and other terms, timing of and success of any collaboration, licensing or other arrangements into which we may enter in the future.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, repurchase our common stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. If we are unable to raise additional funds when needed, we may be required to delay, reduce, or terminate some or all of our development programs and clinical trials. We may also be required to sell or license to others rights to our drug candidates in certain territories or indications that we would prefer to develop and commercialize ourselves.

Our ability to raise additional capital may be adversely impacted by potential worsening global economic conditions and the recent disruptions to, and volatility in, the credit and financial markets in the United States and worldwide resulting from the ongoing COVID-19 pandemic. However, based on our current business plans, we believe that our existing cash, cash equivalents and investments will be sufficient to fund our planned operations through into the second half of 2025.

Summary Statement of Cash Flows

Cash Flows

The following table sets forth the primary sources and uses of cash and cash equivalents for each of the periods presented below (in thousands):

	Six Months Ended June 30,	
	2022	2021
Net cash (used in) provided by:		
Operating activities	\$ (31,506)	\$ (31,172)
Investing activities	8,162	37,267
Financing activities	730	1,113
Effect of exchange rate changes on cash	(182)	—
Net increase (decrease) in cash and cash equivalents	<u>\$ (22,796)</u>	<u>\$ 7,208</u>

Operating Activities

Net cash used in operating activities was \$31.5 million for the six months ended June 30, 2022. Cash used in operating activities was primarily due to our net loss of \$38.2 million for the period, adjusted for \$14.5 million of non-cash items, including \$14.3 million in stock-based compensation and a net decrease in our current assets of \$1.9 million, offset by a net decrease in accounts payable, accrued expenses and other current liabilities of \$9.7 million.

Net cash used in operating activities was \$31.2 million for the six months ended June 30, 2021. Cash used in operating activities was primarily due to our net loss of \$44.8 million for the period, adjusted for \$14.5 million of non-cash items, including \$13.7 million in stock-based compensation and a net increase in accounts payable, accrued expenses and other current liabilities of \$1.1 million offset by increases in our current assets of \$2.0 million.

Investing Activities

Cash provided by investing activities was \$8.2 million in the six months ended June 30, 2022, primarily related to the purchase of investments of \$36.8 million, maturities of investments of \$34.4 million, cash acquired from the Acquisition of \$10.6 million.

Cash provided by investing activities was \$37.3 million for the six months ended June 30, 2021, primarily related to the purchase of investments of \$25.2 million, maturities of investments of \$62.6 million and the purchase of equipment of \$0.1 million.

Financing Activities

Cash provided by financing activities was \$0.7 million in the six months ended June 30, 2022, which consisted of proceeds from the issuance of common stock in connection with an open market sales agreement, net of issuance costs as well as proceeds from the exercise of options.

Cash provided by financing activities was \$1.1 million for the six months ended June 30, 2021, which consisted primarily of proceeds from the exercise of stock options during the period.

Contractual Obligations and Commitments

Except as discussed below, there have been no material changes to our contractual obligations and other commitments as of June 30, 2022, as compared to those disclosed in our Annual Report on Form 10-K.

Our contractual obligations primarily consist of our obligations under non-cancellable operating leases and other purchase obligations.

We enter into contracts in the normal course of business with third party contract organizations for clinical trials, non-clinical studies and testing, manufacturing, and other services and products for operating purposes. The amount and timing of the payments under these contracts varies based upon the timing of the services. We have recorded accrued expense of approximately \$2.4 million in our condensed consolidated balance sheet for expenditures incurred by these vendors as of June 30, 2022. We have approximately \$7.4 million in cancellable future commitments based on existing contracts as of June 30, 2022.

Recent Accounting Pronouncements

Please refer to Note 2 to our unaudited condensed consolidated financial statements appearing under Part 1, Item 1 of this report for a discussion of new accounting standards updates that may impact us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. The primary objective of our investment activities is to preserve capital to fund our operations. We also seek to maximize income from our investments without assuming significant risk. To achieve our objectives, we maintain a portfolio of investments in a variety of securities of high credit quality and short-term duration, invested in compliance with our policy.

We had cash, cash equivalents, and marketable securities of \$105.7 million as of June 30, 2022, which consisted primarily of bank deposits, money market funds, short-term and long-term marketable securities. Such interest-earning instruments carry a degree of interest rate risk; however, historical fluctuations in interest income have not been significant for us. Due to the short-term maturities of our cash equivalents and marketable securities, and the low risk profile of our marketable securities, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents and marketable securities.

Foreign Currency Exchange Rate Risk

We have conducted a clinical trial in Australia, and may in the future conduct clinical trials in other countries outside the United States. We operate two Australian subsidiaries and fluctuations in exchange rates between the U.S. dollar and such foreign currencies could result in increased operating expenses and otherwise have a material effect on our results of operations and financial condition. The impact of future exchange rate fluctuations on the results of our operations cannot be accurately predicted due to our constantly changing exposure to various currencies, and the fact that all foreign currencies do not react in the same manner in relation to the U.S. dollar. To the extent that the percentage of our non-U.S. dollar expense increases in the future, our exposure to risks associated with fluctuations in foreign exchange rates may increase. We are aware of the availability of off-balance sheet financial instruments to hedge exposure to foreign currency exchange rates, including cross-currency swaps, forward contracts and foreign currency options. However, we have not used such instruments in the past, and none were utilized in 2021 or the six months ended June 30, 2022.

We do not believe that inflation, interest rate changes, or exchange rate fluctuations had a significant impact on our results of operations for the three and six months ended June 30, 2022.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended or the Exchange Act, is recorded, communicated to our management to allow timely decisions regarding required disclosure, summarized and reported within the time periods specified in the SEC's rules and forms. Any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including the Chief Executive Officer and Principal Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of June 30, 2022. Based on that evaluation, the Chief Executive Officer and Principal Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2022, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 1. Legal Proceedings.

We are not currently a party to any material legal proceedings.

Item 1A. Risk Factors.

Our operations and financial results are subject to various risks and uncertainties, including those described below that could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock. You should carefully consider the following risks, together with all of the other information in this Quarterly Report on Form 10-Q, including our financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q.

Summary of Risk Factors

We may be unable for many reasons, including those that are beyond our control, to implement our business strategy successfully. The occurrence of any single risk or any combination of risks could materially and adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock. Some of these risks are:

- We may experience difficulties integrating Quince and Novosteo's operations and realizing the expected benefits of the acquisition of Novosteo.
- We are substantially dependent on the success of NOV004, and our successful out-licensing of our legacy assets which will require significant additional clinical testing before we or our partners can seek regulatory approval and potentially launch commercial sales, receive regulatory approval or be successfully commercialized, even if approved. If we are not successful in commercializing NOV004 or out-licensing our legacy assets, or are significantly delayed in doing so, our business will be materially harmed.
- If we are unable to out-license our legacy assets, our business will be entirely dependent on the successful development, regulatory approval and commercialization of NOV004, our only product candidate currently under development.
- Adverse side effects or properties, clinical holds imposed by the FDA, and other safety risks have delayed our development of atuzaginstat (COR388) and could delay or preclude approval, have caused and could cause us to suspend or discontinue clinical trials, abandon further development, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any, and these risks could also impact COR588, potential new indications for atuzaginstat (COR388) and other potential candidates.
- We may not be successful in our efforts to create a pipeline of drug candidates or to develop commercially successful drugs. If we fail to successfully identify, acquire, develop and commercialize additional drug candidates, our commercial opportunity may be limited.
- We are a preclinical stage biopharmaceutical company with a limited operating history. We have no drug candidates approved for commercial sale, we have never generated any revenue from sales, and we may never be profitable.
- We will require substantial additional funding to finance our operations, complete the development and commercialization of NOV004 and evaluate future drug candidates. If we are unable to raise this funding when needed or on acceptable terms, we may be forced to delay, reduce or eliminate our drug development programs or other operations.
- We cannot be certain that the FDA will agree with our proposed clinical trial design for NOV004. Our drug candidate including NOV004 or any of our other potential drug candidates, may not receive regulatory approval, and without regulatory approval we will not be able to market our drug candidates.
- To date we have concentrated our research and development and clinical efforts on the treatment of Alzheimer's and other degenerative diseases and rare skeletal diseases, bone fractures and injury, and fields that have seen very limited success in drug development. Most of our drug candidates are based on new therapeutic approaches and novel technology, which also makes it difficult to predict the time and cost of drug candidate development and the regulatory approval process and exposes us to unforeseen risks, including the risk that the U.S. Food and Drug Administration ("FDA") may impose a clinical hold on, or otherwise limit our ability to proceed with our other clinical programs. We do not know if we will be able to effectively target administered small molecules, peptides or large molecules with our technology or that we will be able to develop drug candidates or approved products using this technology.

- If any of our clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of the FDA or similar regulatory authorities outside the United States or do not otherwise produce positive results, or are put on additional clinical holds imposed by the FDA or similar regulatory authorities outside the United States, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.
- We rely on third parties to conduct some of our clinical trials and some aspects of our research and preclinical testing and on third-party contract manufacturing organizations to manufacture and supply our preclinical and clinical materials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research, manufacturing or testing.
- If we or any of our third-party manufacturers encounter difficulties in production of our current or any future drug candidate, or fail to meet rigorously enforced regulatory standards, our ability to provide supply of our drug candidates for clinical trials or for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure.
- If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market any drug candidates we may develop, we may not be successful in commercializing those drug candidates if and when they are approved.
- The COVID-19 pandemic, as well as other public health crises, catastrophic events or other events outside of our control, may adversely affect our capabilities or the capabilities of third parties on which we depend.
- We have conducted and in the future may conduct clinical trials for our drug candidates outside the United States, and the FDA, European Medicines Agency and applicable foreign regulatory authorities may not accept data from such trials.
- If we are unable to obtain and maintain sufficient intellectual property protection for our drug candidates, or if the scope of the intellectual property protection is not sufficiently broad, our competitors could develop and commercialize drug candidates similar or identical to ours, and our ability to successfully commercialize our drug candidates may be adversely affected.
- We may not be able to successfully partner our legacy assets.

Risks Related to our Recent Acquisition of Novosteo

We may experience difficulties integrating Quince and Novosteo's operations and realizing the expected benefits of the Acquisition.

On May 19, 2022, we completed our previously announced the Acquisition. The anticipated benefits we expect from the Acquisition depend in part on our ability to realize the expected operational efficiencies and associated cost synergies and anticipated business opportunities and growth prospects from combining Quince and Novosteo in an efficient and effective manner. We may not be able to fully realize the operational efficiencies and associated cost synergies or leverage the potential business opportunities and growth prospects to the extent anticipated or at all.

Challenges associated with the integration may include those related to retaining and motivating executives and other key employees, blending corporate cultures, eliminating duplicative operations, and making necessary modifications to internal control over financial reporting and other policies and procedures in accordance with applicable laws.

Our management may face significant challenges in consolidating the operations of Quince and Novosteo, integrating the technologies, procedures, and policies. We may not be able to integrate our clinical pipelines given that our product candidates are in separate therapeutic spaces. For example, management may have limited experience with the drug candidates in treatment of Alzheimer's, oncology, COVID-19 and degenerative diseases. Some of these factors are outside our control, and any of them could delay or increase the cost of our integration or out-licensing efforts.

The integration process could take longer than anticipated and could result in the loss of key employees, the disruption of each company's ongoing businesses, increased tax costs, inefficiencies, and inconsistencies in standards, controls, information technology systems, policies and procedures, any of which could adversely affect our ability to maintain relationships with employees or third parties, or our ability to achieve the anticipated benefits of the transaction, and could harm our financial performance. If we are unable to successfully integrate certain aspects of the operations of Quince and Novosteo or experience delays, we may incur

unanticipated liabilities and be unable to fully realize the potential benefit of future revenue and other anticipated benefits resulting from the arrangement, and our business, results of operations and financial condition could be adversely affected.

Our ability to be successful will be dependent upon the efforts of our executive officers and key personnel and the loss of such persons could negatively impact the operations of the combined company.

The combined company's ability to be successful following the Acquisition will be dependent upon the efforts of our executive officers and key personnel. We recently announced resignation of our President and Chief Executive Officer, Chief Scientific Officer, Chief Medical Officer, Chief Legal and Administrative Officer and Corporate Secretary, Chief Financial Officer and Chief Operating Officer, and our Executive Vice President of Research and Development. Our business following the Acquisition is made up in part of Novosteo's business, which is different from our historical business. Quince Therapeutics' management has limited experience with NOV004 while Novosteo's management has limited experience with our legacy assets and other candidates. In addition, the members of Novosteo's management team have limited experience managing a public company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that specifically govern public companies, which could cause the combined company's management to have to expend time and resources helping them become familiar with such requirements.

Our future results could suffer if we do not effectively manage our expanded operations following the Acquisition.

Following the Acquisition, the scope of operations of our business will increase beyond the current scope of operations of either ours or Novosteo's current businesses. In addition, we may continue to expand our size and operations through additional acquisitions or other strategic transactions. Our future success depends, in part, upon its ability to manage our expanded business, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that we will be successful or that we will realize the expected synergies and other benefits currently anticipated from the Acquisition or anticipated from any additional acquisitions or strategic transactions that we may undertake in the future.

Risks Related to Our Business and the Development of Our Drug Candidates

We are substantially dependent on the success of NOV004, and our successful out-licensing of our legacy assets which will require significant additional clinical testing before we or our partners can seek regulatory approval and potentially launch commercial sales, receive regulatory approval or be successfully commercialized, even if approved. If we are not successful in commercializing NOV004 or out-licensing our legacy assets, or are significantly delayed in doing so, our business will be materially harmed

To date, we have invested substantially all of our efforts and financial resources in the research and development of NOV004 and our legacy assets. Before seeking marketing approval from regulatory authorities for the sale of NOV004 and our legacy assets, we and our partners, respectively, must conduct extensive clinical trials to demonstrate the safety and efficacy of the drug in humans. We are not permitted to market or promote any of our drug candidates before we receive regulatory approval from the FDA, or comparable foreign regulatory authorities, and we may never receive such regulatory approval. We cannot be certain that COR588, atuzaginstat (COR388) or NOV004 will be successful in clinical trials. We do not have an open IND for NOV004 and NOV004 has never been tested in humans. NOV004, COR588 or atuzaginstat (COR388) may not receive regulatory approval even if it is successful in clinical trials. For example, on January 25, 2022, we received a letter from the FDA Division of Neurology 1 placing a full clinical hold on the IND for atuzaginstat (COR388). While we believe atuzaginstat (COR388) and COR588 may hold therapeutic potential in non-CNS indications, including Oncology and Periodontitis but there is no guarantee that further efforts with regard to atuzaginstat (COR388) or COR588 will be successful, and our ability to apply, and obtain regulatory approval, for any of these indications is uncertain at this time. If we do not receive regulatory approvals for NOV004, COR588 or atuzaginstat (COR388), we may not be able to continue our operations. Our prospects, including our ability to finance our operations and generate revenue, will depend entirely on the commercialization of NOV004 and successful development and partnering and regulatory approval of COR588, atuzaginstat (COR388), COR803 and COR852. The clinical and commercial success of NOV004 and our legacy assets will depend on a number of factors, including the following:

- the results from our clinical trials for COR588 or potential additional indications that we may pursue beyond Alzheimer's;
- timely and successful completion of manufacturing of drug supplies and our preclinical studies of NOV004;
- the frequency and severity of adverse effects of COR588, atuzaginstat (COR388) or NOV004;

- the likelihood that the COR588 may have a similar level of hepatotoxicity as atuzaginstat (COR388), which may result in a clinical hold by the FDA
- our ability to out-license our legacy assets;
- our ability to design a cost effective and feasible Phase 2 clinical study for COR588 in Alzheimer's disease;
- the ability of third-party manufacturers to manufacture supplies of NOV004 and to develop, validate and maintain a commercial-scale manufacturing process that is compliant with current good manufacturing practices, or cGMP;
- our ability to demonstrate safety and efficacy of NOV004 and our legacy assets to the satisfaction of the FDA and foreign regulatory authorities;
- whether we are required by the FDA to conduct additional clinical trials prior to the approval to market atuzaginstat (COR388) and whether the FDA may disagree with the number, design, size, conduct or implementation of our clinical trials;
- the receipt of necessary marketing approvals from the FDA and foreign regulatory authorities;
- whether the FDA may require implementation of a Risk Evaluation and Mitigation Strategy, or REMS, as a condition of approval or post-approval;
- our ability to successfully commercialize NOV004 and out-license our legacy assets, if approved for marketing and sale by the FDA or foreign regulatory authorities, whether alone or in collaboration with others;
- our success in educating physicians and patients about the benefits, administration and use of our legacy assets;
- acceptance of NOV004 and our legacy assets as safe and effective by patients and the medical community;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments;
- achieving and maintaining compliance with all regulatory requirements applicable to NOV004 and our legacy assets;
- the effectiveness of our own or any future collaborators' marketing, pricing, coverage and reimbursement, sales and distribution strategies and operations;
- our ability to maintain our existing patents and obtain newly issued patents that cover NOV004 and our legacy assets and to enforce such patents and other intellectual property rights in and to NOV004 and our legacy assets;
- our ability to avoid third-party intellectual property claims; and
- a continued acceptable safety profile of COR588 and atuzaginstat (COR388) following approval.

Many of these factors are beyond our control. Accordingly, we cannot assure you that we will ever be able to generate revenue through the sale of NOV004 and our legacy assets. If we are not successful in commercializing any of our drug candidates, or are significantly delayed in doing so, our business will be materially harmed.

If we are unable to successfully out-license our legacy assets, our business could materially suffer.

We have discovered and are developing a proprietary library of protease inhibitors from which we have selected for COR588, which is under development to treat Alzheimer's disease, and atuzaginstat (COR388), which is under development to treat other degenerative diseases in non-CNS indications, including Oncology and Periodontitis. Our approach is based on the discovery of *P. gingivalis* and its secreted virulence factor proteases, gingipains, and represents a new approach to disease modification in Alzheimer's disease. There is no current academic or general consensus on the causation of Alzheimer's disease or method of action or current drugs that purport to treat Alzheimer's disease. Based on the results of our preclinical and clinical studies to date, we believe COR588 and atuzaginstat (COR388) are neuroprotective and have potential to modify or prevent further neurodegeneration, reduce amyloid beta levels and reduce inflammation, when administered orally. However, these ideas and this approach are novel, and we currently have only limited data based on physiological mouse models of Alzheimer's disease and our Phase 1 a/b clinical trials which enrolled 67 subjects, including nine patients with mild to moderate Alzheimer's disease and our Phase 2/3 GAIN trial which enrolled 643 patient participants with mild to moderate Alzheimer's disease. The results from the GAIN trial did not meet statistical significance in its co-primary cognitive and functional endpoints as measured by ADAS-Cog11 and ADCS-ADL at end of the treatment period in the overall cohort. Furthermore, on January 25, 2022, we received a letter from the FDA Division of Neurology 1 placing a full clinical hold on the IND for atuzaginstat (COR388). While we will prioritize the development of our next generation gingipain inhibitor, COR588, in Alzheimer's disease, we may ultimately discover that COR588 or atuzaginstat (COR388), or any of our other protease inhibitors, do not possess certain properties required for therapeutic effectiveness. We have no long-term evidence

regarding the efficacy, safety and tolerability of atuzaginstat (COR388) or other compounds in our proprietary library of protease inhibitors in humans. Currently, we intend to enter into strategic partnerships/collaborations to develop atuzaginstat (COR388), COR588, COR852 and COR803. However, we cannot assure that we are unable to identify suitable partners. If we are unable to identify suitable partners for our indications or if we are required to enter into agreements with such partners on unfavorable terms, our business and prospects could materially suffer.

If we are unable to out-license our legacy assets, our business will be entirely dependent on the successful development, regulatory approval and commercialization of NOV004, our only product candidate under development.

In the event that we are unable to partner or develop COR588, atuzaginstat (COR388), COR803 and COR852, our only product candidate will be NOV004, which is currently in preclinical development and has not been approved for sale, clinical trials or commercial use. In addition, we do not have an IND or trial design for NOV004 which has been reviewed or cleared by the FDA. This may make an investment in our company riskier than similar companies that have multiple product candidates in active development and that therefore may be able to better sustain a failure of a lead candidate. The success of our business, including our ability to finance our company and generate any revenue in the future, will, at that point, depend entirely on the successful development, regulatory approval and commercialization of NOV004, which may never occur. We may have inadequate financial or other resources to advance NOV004 through the clinical trial process, depending on the requirements of the FDA and similar foreign regulatory agencies. In addition, our clinical development program for NOV004 may not lead to regulatory approval from the FDA and similar foreign regulatory agencies if we fail to demonstrate that NOV004 is safe and effective in clinical trials, and we may therefore fail to commercialize NOV004. Further, interpretation of trial results by the FDA and similar foreign regulatory agencies may vary and NOV004 may not receive regulatory approval even if it is successful in planned and future clinical trials. Any failure to obtain regulatory approval of NOV004 would have a material and adverse impact on our business. Even if we successfully obtain regulatory approvals to market NOV004, our revenue will be dependent, in part, upon the size of the markets in the territories for which we gain regulatory approval. If the markets or patient subsets that we are targeting are not as significant as we estimate, we may not generate significant revenues from sales of NOV004, even if approved.

If the market opportunities for NOV004 are smaller than we believe they are, our revenue may be adversely affected, and our business may suffer. Because the target patient populations of NOV004 are small, and the addressable patient population even smaller, we must be able to successfully identify patients and capture a significant market share to achieve profitability and growth.

NOV004 is a precision bone growth molecule for rare disease. Given the small number of patients who have the disease that we are targeting, it is critical to our ability to grow and become profitable that we continue to successfully identify patients with these rare diseases. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with NOV004, are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including the scientific literature, or patient foundations, and may prove to be incorrect or contain errors. New studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be lower than expected. The effort to identify patients with diseases we seek to treat is in early stages, and we cannot accurately predict the number of patients for whom treatment might be possible. Additionally, the potentially addressable patient population for each of our product candidates may be limited or may not be amenable to treatment with our product candidates, and new patients may become increasingly difficult to identify or gain access to, which would adversely affect our results of operations and our business. Further, even if we obtain commercial approval and significant market share for our product candidates, because the potential target populations are very small, we may never achieve profitability despite obtaining such significant market share. In addition, we do not have experience in launching and marketing a product targeting rare disease and cannot assure that we will be able to obtain such market share.

Our target patient populations are relatively small, and as a result, the pricing and reimbursement of our product candidates, if approved, is uncertain, but must be adequate to support commercial infrastructure. If we are unable to obtain adequate levels of reimbursement, our ability to successfully market and sell NOV004 will be adversely affected.

Clinical drug development is a lengthy, expensive and uncertain process. The results of preclinical studies and early clinical trials are not always predictive of future results. We did not meet statistical significance on either of the co-primary endpoints in the GAIN Trial and any other drug candidate that we may advance into clinical trials may not achieve favorable results in later clinical trials, if any, or receive marketing approval.

The research and development of drugs is extremely risky. Only a small percentage of drug candidates that enter the development process ever receive marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and

efficacy of our drug candidates in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain.

The results of preclinical studies and completed clinical trials are not necessarily predictive of future results, and our current drug candidate may not be further developed or have favorable results in later studies or trials. Clinical trial failure may result from a multitude of factors including, but not limited to, flaws in study design, dose selection, placebo effect, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits. As such, failure in clinical trials can occur at any stage of testing. A number of companies in the pharmaceutical industry have suffered setbacks in the advancement of their drug candidates into later-stage clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding results in earlier preclinical studies or clinical trials. The Phase 1a and Phase 1b clinical trials for our drug candidate, atuzaginstat (COR388), included only nine Alzheimer's patients and 58 healthy volunteers. Further, the results of our earlier stage clinical trials and our preclinical animal studies may not be predictive of the results of outcomes in later-stage clinical studies. For example, data from six Alzheimer's patients treated with atuzaginstat (COR388) in our Phase 1b clinical trial showed improvements across several exploratory cognitive tests. However, these improvements should be interpreted with caution because they were not all statistically significant. When evaluated in a larger patient population, atuzaginstat (COR388) may not show similar improvements toward cognitive effects or may demonstrate different chemical and pharmacological properties in patients in unforeseen or harmful ways. Additionally, our Phase 2/3 GAIN trial, with 643 patient participants with mild to moderate Alzheimer's disease, did not meet statistical significance in its co-primary cognitive and functional endpoints as measured by ADAS-Cog11 and ADCS-ADL at end of the treatment period in the overall cohort. Based upon negative or inconclusive results, we may decide, or regulatory authorities may require us, to conduct additional clinical trials or preclinical studies. In addition, data obtained from preclinical trials and clinical trials are susceptible to varying interpretations, and regulatory authorities may not interpret our data as favorably as we do, which may further delay, limit or prevent development efforts, clinical trials or marketing approval. Furthermore, as more competing drug candidates within a particular class of drugs proceed through clinical development to regulatory review and approval, the amount and type of clinical data that may be required by regulatory authorities may increase or change.

If we are unable to complete preclinical studies or clinical trials of NOV004 or future drug candidates, due to safety concerns, or if the results of these trials are not sufficient to convince regulatory authorities of their safety or efficacy, we will not be able to obtain marketing approval for commercialization on a timely basis or at all. Even if we are able to obtain marketing approval for our current and any future drug candidates, those approvals may be for indications or dose levels that deviate from our desired approach or may contain other limitations that would adversely affect our ability to generate revenue from sales of those drug candidates. Moreover, if we are not able to differentiate our drug candidate against other approved drug candidates within the same class of drugs, or if any of the other circumstances described above occur, our business would be harmed and our ability to generate revenue from that class of drugs would be severely impaired.

Adverse side effects or properties, the clinical holds imposed by the FDA, or and other safety risks have delayed our development of atuzaginstat (COR388) and could delay or preclude approval, have caused and could cause us to suspend or discontinue clinical trials, abandon further development, limit the commercial profile of an approved label, or result in significant negative consequences following marketing approval, if any, relating to COR588, potential new indications for atuzaginstat (COR388) and other potential candidates. We cannot guarantee that similar serious adverse events or clinical holds will not happen in the future with COR588, atuzaginstat (COR388) or any future drug candidates for any current or additional indications. There may be side effects and adverse events associated with the use of COR588, atuzaginstat (COR388) or any future drug candidates.

Our clinical trials could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics as the clinical trials progress to longer exposures at varying dose levels and a larger number of patients. Side effects could include treatment-related adverse events not seen in our Phase 1a and Phase 1b clinical trials of atuzaginstat (COR388) including hepatic adverse events. Undesirable side effects caused by, or unexpected or unacceptable characteristics associated with, atuzaginstat (COR388) or any future drug candidates could result in the delay, suspension or termination of clinical trials by us, the FDA or other regulatory authorities for a number of reasons. For example, on February 12, 2021, we received a letter from the FDA stating that a partial clinical hold has been placed on atuzaginstat (COR388) impacting the OLE phase of the GAIN Trial. The partial clinical hold was initiated following the review of hepatic adverse events in the atuzaginstat (COR388) trial by the FDA. Under the hold, we have stopped enrollment and dosing in the OLE phase of the GAIN Trial. Atuzaginstat (COR388) was associated with dose-related liver enzyme elevations >3X the upper limit of normal: 2% on placebo, 7% on 40 mg BID, and 15% on 80 mg BID. These elevations alone were not clinically significant, and virtually all participants were asymptomatic. Two participants in the 80 mg BID arm had concomitant bilirubin elevations without alternative explanation. On January 25, 2022, we received a letter from the FDA Division of Neurology 1 placing a full clinical hold on atuzaginstat (COR388) IND. The FDA may place additional clinical holds on our current

or currently contemplated clinical programs or otherwise limit our ability to proceed with other clinical programs in our pipeline, which will harm our business, financial condition, results of operations and may force us to cease our operations.

As we or our potential partners assess data from our Phase 2/3 GAIN trial or safety of atuzaginstat (COR388), we or our partners may identify additional adverse events that were not identified or not considered significant in our earlier trials. If such side effects become later known in development or upon approval, if any, such findings may harm our business, financial condition, results of operations and prospects significantly. If we or others later identify undesirable side effects, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw, suspend or limit approval of atuzaginstat (COR388) or any future drug candidates;
- we may be required to recall a drug or change the way such drug is administered to patients;
- regulatory authorities may require additional warnings or statements in the labeling, such as a boxed warning or a contraindication or issue safety alerts, press releases or other communications containing warnings or other safety information about the drug candidate, for example, field alerts to physicians and pharmacies;
- regulatory authorities may require a medication guide outlining the risks of such side effects for distribution to patients, or that we implement a risk evaluation and mitigation strategy, or REMS, to ensure that the benefits of the drug outweigh its risks; we may be required to change the way a drug is distributed or administered, conduct additional clinical trials or change the labeling of a drug, or be required to conduct additional post-marketing studies or surveillance;
- we could be sued and held liable for harm caused to patients;
- sales of the drug may decrease significantly or atuzaginstat (COR388) or any future drug could become less competitive; and
- our reputation may suffer.

Any of these events could prevent us or our potential partners from achieving or maintaining market acceptance of atuzaginstat (COR388), NOV004 or any future drug candidates, if approved, and could significantly harm our business, financial condition, results of operations and prospects.

Success in preclinical studies or earlier clinical trials may not be indicative of results in future clinical trials.

Success in preclinical testing and early clinical trials does not ensure that later clinical trials will generate the same results or otherwise provide adequate data to demonstrate the efficacy and safety of a drug candidate. Preclinical tests and Phase 1 and Phase 2 clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics and to understand the side effects of drug candidates at various doses and schedules. Success in preclinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful, nor does it predict final results. Our drug candidates may fail to show the desired safety and efficacy in clinical development despite positive results in preclinical studies or having successfully advanced through initial clinical trials. Additionally, in future trials there may be unforeseen serious adverse events or side effects that differ from those seen in our preclinical tests, Phase 1 and Phase 2 clinical trials, which may result in a full or partial clinical hold from the FDA, or similar adverse events or additional adverse events that were not identified or not considered significant in our earlier trials that result in additional clinical holds on our current or currently contemplated clinical programs imposed by the FDA or otherwise limit our ability to proceed with other clinical programs in our pipeline, which will harm our business, financial condition, results of operations and may force us to cease our operations.

Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in preclinical testing and earlier-stage clinical trials. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, we may experience regulatory delays or rejections as a result of many factors, including changes in regulatory policy during the period of our drug candidate development. Any such delays could negatively impact our business, financial condition, results of operations and prospects.

Clinical holds imposed by the FDA could prevent us or a partner from administering atuzaginstat (COR388) in oncology or periodontal or additional studies.

Preclinical data for atuzaginstat (COR388) showed toxicity at very high exposure levels in mice and, as a result, the FDA placed atuzaginstat (COR388) on partial clinical hold to enforce an exposure cap on atuzaginstat (COR388) dosages in humans at

approximately 2.4 times the top dose of 80 mg BID in our Phase 2/3 GAIN trial. In addition, the FDA placed a partial clinical hold on atuzaginstat (COR388) impacting the OLE phase of the GAIN Trial following the review of hepatic adverse events in the atuzaginstat (COR388) trial by the FDA. Under the hold, we stopped enrollment and dosing in the OLE phase of the GAIN Trial. The results of our Phase 2/3 GAIN trial revealed atuzaginstat (COR388) was associated with dose-related liver enzyme elevations >3X the upper limit of normal: 2% on placebo, 7% on 40 mg BID, and 15% on 80 mg BID. These elevations alone were not clinically significant, and virtually all participants were asymptomatic. Two participants in the 80 mg BID arm had concomitant bilirubin elevations without alternative explanation. At the conclusion of the Phase 2/3 GAIN trial the FDA division of Neurology 1 placed a full clinical hold on atuzaginstat (COR388) for Alzheimer's disease. As a result, other divisions within the FDA could prevent us from administering atuzaginstat (COR388) in other indications, such as oncology and periodontal, which we are currently pursuing, or even if we are allowed to proceed with such other indications, we may not be ultimately successful because the results of these potential trials may prove to be not clinically significant or have side effects that prevent further clinical development.

We may not be successful in our efforts to continue to create a pipeline of drug candidates or to develop commercially successful drugs. If we fail to successfully identify and develop additional drug candidates, our commercial opportunity may be limited.

One of our strategies is to identify and pursue clinical development of additional drug candidates. We currently have five programs in the early phase of development, all of which are in the research, discovery and preclinical stages of development. Identifying, developing, obtaining regulatory approval and commercializing additional drug candidates will require substantial additional funding and is prone to the risks of failure inherent in drug development. We cannot provide you any assurance that we will be able to successfully identify or acquire additional drug candidates, advance any of these additional drug candidates through the development process, successfully commercialize any such additional drug candidates, if approved, or assemble sufficient resources to identify, acquire, develop or, if approved, commercialize additional drug candidates. If we are unable to successfully identify, acquire, develop and commercialize additional drug candidates, our commercial opportunity may be limited.

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

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

- regulatory authorities, institutional review boards or ethics committees, or IRBs or ECs, may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site or we may fail to reach a consensus with regulatory authorities on trial design;
- regulatory authorities in jurisdictions in which we seek to conduct clinical trials may differ from each other on our trial design, and it may be difficult or impossible to satisfy all such authorities with one approach;
- we may not be able to generate sufficient preclinical data to support clinical development for NOV004;
- we may require additional preclinical studies or manufacturing of drug supplies for NOV004, which may delay our timeline for the clinical development for NOV004;
- we may experience delays in reaching a consensus with regulatory agencies on preclinical and clinical study design;
- we may not be able to obtain appropriate or sufficient test agents or preclinical animal models in connection with the indication the drug candidate is meant to address;
- we may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different contract research organizations, or CROs, and trial sites;
- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulatory authorities may require us, to conduct additional clinical trials or abandon drug development programs;
- the number of patients required for clinical trials of our drug candidates may be larger than we anticipate;
- enrollment in our clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- changes to clinical trial protocols;
- our third-party contractors, including clinical investigators, contract manufacturers and vendors may fail to comply with applicable regulatory requirements, lose their licenses or permits, or otherwise fail, or lose the ability to, meet their contractual obligations to us in a timely manner, or at all;

- we might have to suspend or terminate clinical trials of our drug candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- regulatory authorities or IRBs may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our drug candidates may be greater than we anticipate, and we may lack adequate funding to continue one or more clinical trials;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate;
- our drug candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulatory authorities or institutional review boards to suspend or terminate the trials;
- occurrence of serious adverse events in trials of the same class of agents conducted by other companies; and
- the occurrence of natural disasters, such as earthquakes, tsunamis, power shortages or outages, floods, or monsoons, public health crises, such as pandemics and epidemics, political crisis, such as terrorism, war, political instability or other conflict, cyberattacks, or other events outside of our control occurring at or around our clinical trials sites in the United States, Australia or Europe.

For example, enrollment in our clinical trials have been and may be delayed or impeded as a result of the COVID-19 pandemic due to prioritization of healthcare resources toward the pandemic, and some patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services. For example, we have experienced some delays in enrollment in COR588 SAD/MAD Phase 1 clinical trial due to the restrictions related to COVID-19 placed in Australia. In addition, we may experience increased rates of patients withdrawing from our clinical trials following enrollment as a result of contracting COVID-19 or other health conditions or because of quarantines or travel limitations (whether voluntary or required) If the patients involved with our clinical trials contract COVID-19, we may have more adverse events and deaths in our clinical trials as a result. We have taken and continue to take proactive measures to maintain the integrity of our ongoing clinical trial. However, these measures may not be successful, and the occurrence of any of these events could delay or impede our ability to release clinical results, delay or impact our clinical trials, including the integrity and completeness of subject data and clinical study endpoints, and could adversely impact our product candidates testing, development and timelines.

Preclinical studies and clinical trials are expensive and time consuming, additional or unsuccessful clinical trials could cause our clinical development activities to be delayed or otherwise adversely affected.

All of our drug candidates are in clinical and preclinical development and their risk of failure is high. The clinical trials and manufacturing of our drug candidates are, and the manufacturing and marketing of our drug, if approved, will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where we intend to test and market our drug candidates. To date, we have not discussed with the FDA about its drug candidate, NOV004. Before obtaining regulatory approvals for the commercial sale of any of our drug candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our drug candidates are both safe and effective for use in each target indication. We may not be able to develop a trial design that the FDA and other foreign regulatory authorities can accept. Each drug candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use.

Clinical trials are expensive and can take many years to complete, and their outcomes are inherently uncertain. We cannot guarantee that our ongoing and any future clinical trials will be conducted as planned or completed on schedule, if at all. Failure can occur at any time during the clinical trial process. Even if our ongoing and any future clinical trials are completed as planned, we cannot be certain that their results will support the safety and effectiveness of our product candidates for their targeted indications or support continued clinical development of such product candidates. Our ongoing and any future clinical trial results may not be successful.

In addition, even if such trials are successfully completed, we cannot guarantee that the FDA, EMA or other foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our drug candidates for approval. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. To the extent that the results of the trials are not satisfactory to the FDA, EMA or other 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 drug candidates.

If we are required to conduct additional preclinical studies, clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete preclinical studies, clinical trials of our drug candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval for our drug candidates;
- not obtain marketing approval at all;
- obtain approval for indications, dosages or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements; or
- have the medicine removed from the market after obtaining marketing approval.

Drug development costs will also increase if we experience delays in testing or in obtaining marketing approvals. We do not know whether any clinical trials will begin as planned, will need to be amended or will be completed on schedule, or at all. Significant preclinical studies and clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our drug candidates, could allow our competitors to bring drug candidates to market before we do, and could impair our ability to successfully commercialize our drug candidates, if approved, any of which may harm our business and results of operations. 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 termination or suspension of a clinical trial. Any of these occurrences may harm our business, financial condition and prospects significantly. Any termination of any clinical trial of our drug candidates will harm our commercial prospects and our ability to generate revenues.

Risks Relating Our Financial Position

We are a pre-clinical stage biopharmaceutical company with a limited operating history, which may make it difficult to evaluate the prospects for our future viability.

We are a preclinical stage biopharmaceutical company with a limited operating history focused on developing therapeutics for degenerative diseases, including Alzheimer's disease. We were incorporated in June 2012 and commenced material operations in June 2014. We have a very limited operating history, which may make it difficult to evaluate the success of our business to date and assess our future viability. Drug development is a highly uncertain undertaking and involves a substantial degree of risk. We have recently initiated clinical trials for COR588 and have not initiated clinical trials for any of our other drug candidates. To date, we have reported top-line data in only one Phase 2/3 clinical trial, which is currently subject to a full clinical hold by the FDA, and have not initiated any other late stage clinical trial, obtained marketing approval for any drug candidate, manufactured a commercial scale drug candidate, arranged for a third party to do so on our behalf, or conducted sales and marketing activities necessary for successful drug candidate commercialization. Our short operating history as a company makes any assessment of our future success and viability subject to significant uncertainty. We will encounter risks and difficulties frequently experienced by early-stage biopharmaceutical companies in rapidly evolving fields, and we have not yet demonstrated an ability to overcome such risks and difficulties successfully. If we do not address these risks and difficulties successfully, our business will suffer.

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

We have no drug candidates approved for sale, have never generated any revenue from sales, have never been profitable and do not expect to be profitable in the foreseeable future. We have incurred net losses in each year since our inception. For the years ended December 31, 2021, 2020, 2019, our net losses were \$89.9 million, \$76.8 million and \$37.0 million, respectively. We had an accumulated deficit of \$274.8 million as of June 30, 2022.

Before we are able to generate any revenue, we will need to commit substantial funds to continue development of our drug candidates and bring any drug candidates to commercialization, and we may not be able to obtain sufficient funds on acceptable terms,

if at all. Any additional debt financing or additional equity that we raise may contain terms that are not favorable to us and/or result in dilution to our stockholders.

To date, we have devoted most of our financial resources to our corporate overhead and research and development of atuzaginstat (COR388) and COR588, including our preclinical development activities and clinical trials of atuzaginstat (COR388) and COR588. We expect that it will be several years, if ever, before we have a drug candidate ready for commercialization. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue our development of, and seek regulatory approvals for our drug candidates, prepare for and begin the commercialization of any approved drug candidates, and add infrastructure and personnel to support our drug development efforts and operations as a public company. We anticipate that any such losses could be significant for the next several years. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital. Further, these net losses have fluctuated significantly in the past and are expected to continue to significantly fluctuate from quarter-to-quarter or year-to-year. To become and remain profitable, we must develop and eventually commercialize a drug with significant revenue.

We may never succeed in developing a commercial drug. On January 25, 2022, we received a letter from the FDA Division of Neurology 1 placing a full clinical hold on the IND for atuzaginstat's (COR388). The FDA may place additional clinical holds on our current or currently contemplated clinical programs or otherwise limit our ability to proceed with other clinical programs in our pipeline, which will harm our business, financial condition, results of operations and may force us to cease our operations. Further, while we believe COR388 holds therapeutic potential in non-CNS indications, including Oncology and Periodontitis, there is no guarantee that further efforts with regard to COR388 will be successful, and our ability to apply, and obtain regulatory approval, or partner with others for further development for any of these indications is uncertain at this time.

We expect to advance atuzaginstat (COR388) only if we are successful in partnering our legacy assets, but we may not be able to find a suitable partner, if at all. See also the risk factor titled "*If we are unable to successfully out-license our legacy assets, our business could materially suffer.*"

We may elect to discontinue, delay or modify clinical trials of some drug candidates or focus on others. Any changes in the outcome of any of these variables with respect to the development of our drug candidates in clinical development could mean a significant change in the costs and timing associated with the development of these drug candidates. Even if we succeed in commercializing one or more drug candidates, we may never generate revenues that are significant or large enough to achieve profitability.

We may also encounter other unforeseen expenses, difficulties, complications, delays and other known and unknown challenges. Because of these numerous risks and uncertainties, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to generate revenues or achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis and we will continue to incur substantial research and development and other expenditures to develop and market additional drug candidates.

We will require substantial additional funding to finance our operations, complete the development and commercialization of NOV004 and evaluate future drug candidates. If we are unable to raise this funding when needed or on acceptable terms, we may be forced to delay, reduce or eliminate our drug development programs or other operations.

Since our inception, we have used substantial amounts of cash to fund our operations, and we expect our expenses to increase substantially in the foreseeable future in connection with our ongoing activities, particularly as we continue the research and development of, initiate clinical trials of, and seek marketing approval for, NOV004. In addition, if we obtain marketing approval for NOV004 or any future drug candidates, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution.

Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. As of June 30, 2022, we had \$105.7 million in cash, cash equivalents and investments. Our balance sheet includes publicly-traded corporate debt securities. We may be required to recognize impairments in the value of these investments if the relevant companies are materially adversely effected as a result of the negative effects arising from the COVID-19 pandemic or for other reasons, become unable to repay debt securities when due, or experience credit rating downgrades, or if the public trading price of these securities decreases.

We believe that our existing capital resources will be sufficient to fund our projected operations through the second half of 2025. However, changing circumstances may cause us to increase our spending significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may need to raise additional funds sooner than we anticipate if we choose to expand more rapidly than we presently anticipate. The amount and timing of our future funding requirements will depend on many factors, some of which are outside of our control, including but not limited to:

- the willingness of the FDA and EMA to approve the implementation of protocols for further development our compounds, including but not limited to, NOV004 in their respective indications;
- the outcome, costs and timing of seeking and obtaining FDA, EMA and any other regulatory approvals;
- the number and characteristics of drug candidates that we pursue;
- our ability to manufacture sufficient quantities of our drug candidates;
- our need to expand our research and development activities;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- the costs of acquiring, licensing or investing in businesses, drug candidates and technologies;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to retain management and hire scientific and clinical personnel;
- the effect of competing drugs and drug candidates and other market developments;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems; and
- the economic and other terms, timing of and success of any collaboration, licensing or other arrangements into which we may enter in the future.

Additional funding may not be available to us on acceptable terms or at all. Any such funding may result in dilution to stockholders, imposition of debt covenants and repayment obligations, or other restrictions that may affect our business. If we are unable to obtain funding on a timely basis, we may be required to significantly curtail one or more of our research or development programs. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or drug candidates or otherwise agree to terms unfavorable to us. Additionally, while the potential global economic impact and the duration of the COVID-19 pandemic may be difficult to assess or predict, a widespread pandemic could result in significant long-term disruption of global financial markets, which could in the future reduce our ability to access capital and negatively affect our liquidity. In addition, the trading prices for our common stock and other biopharmaceutical companies, as well as the broader equity and debt markets, have been highly volatile as a result of the COVID-19 pandemic and the resulting impact on economic activity. Furthermore, a recession or decline in market value resulting from the spread of COVID-19 could materially affect our operations, overall yields from our investment portfolio, including through impairment and loss of investment, and the value of our common stock.

Risks Relating to Regulatory Review and Approval of Our Drug Candidates and Other Legal Compliance Matters

We cannot be certain that the FDA or foreign regulatory authorities will permit us to proceed with our proposed clinical trial designs for COR588 or NOV004. Our drug candidates, including NOV004, COR588, atuzaginstat (COR388) or any of our other potential drug candidates, may not receive regulatory approval, and without regulatory approval we will not be able to market our drug candidates.

Currently, we do not have a trial design for COR588 for Alzheimer's or a non-Alzheimer's indication or NOV004 that has been reviewed or cleared by the FDA or any foreign regulatory authorities. Regulatory agencies, including the FDA, or their advisors may disagree with our trial design and our interpretations of data from preclinical studies and clinical trials.

We currently have no drug candidates approved for sale and we cannot guarantee that we will ever have marketable drug candidates. Our ability to generate revenue related to sales, if ever, will depend on the successful development and regulatory approval of our product candidates.

The development of a drug candidate and issues relating to its approval and marketing are subject to extensive regulation by the FDA in the United States, the EMA in Europe and regulatory authorities in other countries, with regulations differing from country to country. We are not permitted to market our drug candidates in the United States or Europe until we receive approval of a new drug application, or NDA, from the FDA or a marketing authorization application, or MAA, from the EMA, respectively. We have not submitted any marketing applications for any of our drug candidates.

NDA and MAA must include extensive preclinical and clinical data and supporting information to establish the drug candidate's safety and effectiveness for each desired indication. NDAs and MAAs must also include significant information regarding the chemistry, manufacturing and controls for the drug. Obtaining approval of a NDA or a MAA is a lengthy, expensive and uncertain process, and we may not be successful in obtaining approval. The FDA and the EMA review processes can take years to complete and approval is never guaranteed. If we submit a NDA to the FDA, the FDA must decide whether to accept or reject the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the FDA. Regulators of other jurisdictions, such as the EMA, have their own procedures for approval of drug candidates. Even if a drug is approved, the FDA or the EMA, as the case may be, may limit the indications for which the drug may be marketed, require extensive warnings on the drug labeling or require expensive and time-consuming clinical trials or reporting as conditions of approval. Regulatory authorities in countries outside of the United States and Europe also have requirements for approval of drug candidates with which we must comply prior to marketing in those countries. Obtaining regulatory approval for marketing of a drug candidate in one country does not ensure that we will be able to obtain regulatory approval in any other country. In addition, delays in approvals or rejections of marketing applications in the United States, Europe or other countries may be based upon many factors, including regulatory requests for additional analyses, reports, data, preclinical studies and clinical trials, regulatory questions regarding different interpretations of data and results, changes in regulatory policy during the period of drug development and the emergence of new information regarding our drug candidates or other drug candidates. Also, regulatory approval for any of our drug candidates may be withdrawn.

To date we have concentrated our research and development and clinical efforts on the treatment of Alzheimer's and other degenerative diseases and rare skeletal diseases, bone fractures and injury, and fields that have seen very limited success in drug development. Most of our drug candidates are based on new therapeutic approaches and novel technology, which also makes it difficult to predict the time and cost of drug candidate development and the regulatory approval process and exposes us to unforeseen risks, including the risk that the U.S. Food and Drug Administration ("FDA") may impose a clinical hold on, or otherwise limit our ability to proceed with, our other clinical programs.

We have focused our research and development efforts on addressing degenerative diseases. Collectively, efforts by pharmaceutical companies in the field of degenerative diseases have seen very limited successes in drug development. There are few effective therapeutic options available for patients with Alzheimer's disease and other degenerative diseases. Our future success is highly dependent on the successful development of our technology and our drug candidates for treating degenerative diseases. Developing and, if approved, commercializing our drug candidates for treatment of degenerative diseases subjects us to a number of challenges, including ensuring that we have selected the optimal dose of the therapeutic to block gingipains in the brain, executing an appropriate trial to test for efficacy and obtaining regulatory approval from the FDA and other regulatory authorities.

Our approach to the treatment of degenerative diseases aims to understand the cause of disease pathogenesis, select the right patient population, discover and develop potent and selective small molecules that act directly in the brain or other organs on these targets, and leverage both preclinical and human pharmacodynamic data for dose selection. This strategy may not prove to be successful. We cannot be sure that our approach will yield satisfactory therapeutic drug candidates that are safe and effective, scalable, or profitable. Moreover, public perception of drug safety issues, including adoption of new therapeutics or novel approaches to treatment, may adversely influence the willingness of subjects to participate in clinical trials, or if approved, of physicians to prescribe novel treatments.

Although we have continued to make advances in our development of NOV004, our research continues to be at an early stage, and we face challenges. Development of any drug candidates utilizing our technology is expected to require significant additional research and funding. For example, we may experience delays in the manufacture of drug supplies or identify suitable animal disease models for our drug candidates, which could delay or frustrate our ability to proceed into clinical trials or obtain marketing approval. NOV004 is expected to enter Phase 1 clinical trials in 2023 with planned areas of investigation including osteogenesis imperfecta, general fractures and spinal fusion. There is no assurance that we will continue our development of NOV004, that subsequent research will be successful or that we will be able to develop drug candidates or approved products using our technology.

Clinical failure can occur at any stage of clinical development and we have never conducted a Phase 3 trial or submitted an NDA or MAA before.

We have only recently announced top-line results of our Phase 2/3 GAIN trial for Alzheimer's disease and reported that it did not meet statistical significance in its co-primary cognitive and functional endpoints as measured by ADAS-Cog11 and ADCS- ADL at end of the treatment period in the overall cohort. On January 25, 2022, we received a letter from the FDA Division of Neurology 1 placing a full clinical hold on atuzaginstat (COR388) IND. Other divisions of the FDA may impose a clinical hold on atuzaginstat (COR388) as we explore other indications for this drug, or otherwise limit our ability to proceed with other clinical programs in our pipeline, which could have a materially adverse impact on us. We cannot guarantee that that similar clinical holds will not happen in the future with COR588, atuzaginstat (COR388) or any future drug candidates for any current or additional indications. The submission of a successful NDA is a complicated process. As an organization, we have never conducted a registrational clinical trial and have limited experience in preparing, submitting and prosecuting regulatory filings, and have not submitted a NDA. Failure to commence or complete, or delays in, our planned clinical trials would prevent us from or delay us in seeking approval for, and if approved, commercializing our drug candidates, and failure to successfully complete any of these activities in a timely manner for any of our drug candidates could have a material adverse impact on our business and financial performance. The commencement, enrollment and completion of clinical trials can be delayed or suspended for a variety of reasons, including:

- inability to obtain sufficient funds required for a clinical trial;
- inability to reach agreements on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- clinical holds, other regulatory objections to commencing or continuing a clinical trial or the inability to obtain regulatory approval to commence a clinical trial in countries that require such approvals;
- discussions with the FDA or non-U.S. regulators regarding the scope or design of our clinical trials;
- inability to identify and maintain a sufficient number of trial sites, many of which may already be engaged in other clinical trial programs, including some that may be for the same indications targeted by our drug candidates;
- inability to obtain approval from IRBs to conduct a clinical trial at their respective sites;
- severe or unexpected drug-related adverse effects experienced by patients, which have resulted and may result in a full or partial clinical hold by the FDA or non-U.S. regulators;
- inability to timely manufacture sufficient quantities of the drug candidate required for a clinical trial;
- difficulty recruiting and enrolling patients to participate in clinical trials for a variety of reasons, including meeting the enrollment criteria for our study and competition from other clinical trial programs for the same indications as our drug candidates;
- inability to retain enrolled patients after a clinical trial is underway; and
- enrollment may be delayed or interrupted or patients may drop out of clinical trials due to or the fear of natural disasters, such as earthquakes, tsunamis, power shortages or outages, floods, or monsoons, public health crises, such as pandemics and epidemics, political crisis, such as terrorism, war, political instability or other conflict, cyberattacks, or other events outside of our control occurring at or around our clinical trials sites in the United States or Europe. For example, the coronavirus outbreak may delay or impede enrollment in our clinical trials due to prioritization of hospital resources toward the outbreak, and some patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services, which would delay our ability to release clinical results and could impact our product candidates testing, development and timelines.

In addition, the design of a clinical trial can determine whether its results will support approval of a drug and flaws in the design of a clinical trial may not become apparent until the clinical trial is well-advanced. Changes in regulatory requirements and guidance may also occur and we may need to amend clinical trial protocols to reflect these changes with appropriate regulatory authorities. Amendments may require us to resubmit clinical trial protocols to IRBs for re-examination, which may impact the costs, timing or successful completion of a clinical trial.

In addition, if we are required to conduct additional clinical trials or other preclinical studies of our drug candidates beyond those contemplated, our ability to obtain regulatory approval of these drug candidates and generate revenue from their sales would be similarly harmed.

If any of our clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of the U.S. Food and Drug Administration ("FDA") or similar regulatory authorities outside the United States or do not otherwise produce positive results, or are put on additional clinical holds imposed by the FDA or similar regulatory authorities outside the United States, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our drug candidates.

Before obtaining regulatory approvals for the commercial sale of any of our drug candidates, we must demonstrate through lengthy, complex and expensive preclinical studies and clinical trials that our drug candidates are both safe and effective for use in each target indication. Each drug candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use.

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of preclinical studies of our drug candidates may not be predictive of the results of early-stage or later-stage clinical trials, and results of early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials. The results of clinical trials in one set of patients or disease indications may not be predictive of those obtained in another. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the dosing regimen and other clinical trial protocols and the rate of dropout among clinical trial participants. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through preclinical studies and initial clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety issues, notwithstanding promising results in earlier trials. This is particularly true in degenerative diseases, where failure rates historically have been higher than in many other disease areas. Most drug candidates that begin clinical trials are never approved by regulatory authorities for commercialization.

In addition, even if such clinical trials are successfully completed, we cannot guarantee that the FDA or foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our drug candidates for approval. Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or other regulatory authorities. The FDA or other regulatory authorities may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected the integrity of the study. The FDA or other regulatory authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or other regulatory authorities, as the case may be, and may ultimately lead to the denial of marketing approval of any of our drug candidates. To the extent that the results of the trials are not satisfactory to the FDA or 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 drug candidates. Even if regulatory approval is secured for any of our drug candidates, the terms of such approval may limit the scope and use of our drug candidate, which may also limit its commercial potential.

We rely on third parties to conduct some of our preclinical studies and clinical trials and some aspects of our research and preclinical testing and on third-party contract manufacturing organizations to manufacture and supply our preclinical and clinical materials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research, manufacturing or testing.

Although we have our own lab to conduct some preclinical studies for NOV004, we currently rely and expect to continue to rely on third parties, such as CROs, clinical data management organizations, medical institutions, and clinical investigators, to conduct some aspects of our research and preclinical testing and our clinical trials. We also rely on third-party contract manufacturing organizations to manufacture and supply our preclinical and clinical materials. Any of these third parties may terminate their engagements with us or be unable to fulfill their contractual obligations. If we need to enter into alternative arrangements, it would delay our drug development activities.

Our reliance on these third parties for research and development activities reduces our control over these activities but does not relieve us of our responsibilities. For example, we remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with current good clinical practice regulations, or GCP, for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible, reproducible and accurate and that the rights, integrity, and confidentiality of trial participants are protected. We also are required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database within certain timeframes. Failure to do so can result in fines, adverse publicity, and civil and criminal sanctions.

Reliance on third-party manufacturers entails additional risks, such as the possible breach of the manufacturing agreement by the third party, the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us and reliance on the third party for regulatory compliance, quality assurance, safety and related reporting. Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside the United States.

If these third parties do not successfully carry out their contractual duties, meet expected deadlines, or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for any drug candidates we may develop and will not be able to, or may be delayed in our efforts to, successfully commercialize our medicines.

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

The lab facilities in which our product candidates are developed could be adversely affected by equipment failures, labor shortages, natural disasters, power failures and numerous other factors.

We presently develop our product candidates at our lab facilities in West Lafayette, Indiana. If our lab facilities were to be damaged or destroyed by fire, flood, other natural disaster or other occurrences of any kind, it would have a material adverse effect on our ability to develop product candidates and on our business, financial condition and results of operations.

We must comply with applicable regulations and guidelines. We may experience shortages in qualified personnel. We are subject to inspections by regulatory authorities to confirm compliance with applicable regulatory requirements. Any failure to follow regulatory requirements or delay, interruption or other issues that arise in the development of our product candidates as a result of a failure of our facilities or the facilities or operations of third parties to comply with regulatory requirements or pass any regulatory authority inspection could significantly impair our ability to develop and commercialize our product candidates, leading to significant delays in the availability of therapeutic product for clinical studies or the termination or hold on a clinical study, or the delay or prevention of a filing or approval of marketing applications for our product candidates. Significant noncompliance could also result in the imposition of sanctions, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approvals for our product candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, any of which could damage our reputation. If we are not able to achieve and maintain regulatory compliance, we may not be permitted to market our product candidates and/or may be subject to product recalls, seizures, injunctions, or criminal prosecution.

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

The development and commercialization of new drugs is highly competitive. Moreover, the degenerative disease field is characterized by strong competition and a strong emphasis on intellectual property. We may face competition with respect to any drug candidates that we seek to develop or commercialize in the future from major pharmaceutical companies, specialty pharmaceutical companies, and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies, and other public and private research organizations that conduct research, seek patent protection, and establish collaborative arrangements for research, development, manufacturing, and commercialization.

There are a number of large pharmaceutical and biotechnology companies that are currently pursuing the development of drug candidates for the treatment of the degenerative disease indications for which we have research programs, including Alzheimer's disease. Companies that we are aware are developing therapeutics in the degenerative disease field include large companies with significant financial resources, such as AbbVie Inc., Biogen Inc., Eli Lilly and Company, Eisai Co., Ltd., Merck & Company, Inc., Denali Therapeutics, Inc., Alector, Inc., Cassava Sciences, Inc., Novartis AG and Roche Holding AG (including Genentech, its wholly

owned subsidiary), as well as companies pursuing a dysfunctional immune system approach to Alzheimer's disease or other types of therapies.

There are many bone building and osteoporosis drugs currently in development and available in the United States include anti-resorptive agents, anabolic agents, and an agent that has both anabolic and anti-resorptive characteristics. Anti-resorptive agents including bisphosphonates, hormone therapy, selective estrogen receptor modulators (SERMs), and Amgen's Prolia (denosumab), are the most common treatments for osteoporosis. Teriparatide, marketed by Lilly under the name Forteo/Forsteo (outside the U.S.) and abaloparatide, marketed by Radius Health under the name Tymlos are both anabolic drugs targeting the PTH receptor approved in the United States for the treatment of osteoporosis. We are aware of companies pursuing development in the United States of teriparatide through various regulatory pathways, including Teva Pharmaceutical Industries, Ltd., and APOTEX. We believe other companies may be in earlier stages of development of a generic version of teriparatide. Romosozumab, an anti-sclerostin monoclonal antibody for the treatment of osteoporosis, is marketed by Amgen and UCB under the name Evenity, following regulatory approval in the US, Europe and Japan.

There are several therapies in development for osteogenesis imperfecta including setrusumab, an anti-sclerostin monoclonal antibody, in development by Ultragenyx and Mereo BioPharma; SAR439459, and fresolimumab, both anti-TFB-beta monoclonal antibodies, in development by Sanofi; and romosozumab, in development by Amgen.

Fracture repair or spinal fusion therapies and devices available to be applied during surgery include recombinant human bone morphogenetic protein-2 (rhBMP2), marketed by Medtronic under the name Infuse Bone Graft. rhPDGF-BB, marketed by Lynch Biologics and Wright Medical Group N.V., and low-intensity pulsed ultrasound (LIPUS) marketed by BioVentus.

Many of our current or potential competitors, either alone or with their strategic partners, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals, and marketing approved drug candidates than we do. Merger and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drug candidates that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than any drug candidates that we may develop. Furthermore, currently approved drug candidates could be discovered to have application for treatment of degenerative disease indications, which could give such drug candidates significant regulatory and market timing advantages over any of our drug candidates. Our competitors also may obtain FDA, EMA or other regulatory approval for their drug candidates more rapidly than we may obtain approval for ours from the FDA for indications our drug candidates are targeting, which could result in our competitors establishing a strong market position before we are able to enter the market.

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

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

The processes involved in manufacturing our drug candidates are highly regulated and subject to multiple risks. As drug candidates are developed through preclinical studies to late-stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives, and any of these changes could cause our drug candidates to perform differently and affect the results of planned clinical trials or other future clinical trials.

In order to conduct clinical trials of our drug candidates, or supply commercial drug candidates, if approved, we will need to manufacture them in small and large quantities. Our manufacturing partners may be unable to successfully modify or scale-up the manufacturing capacity for any of our drug candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If our manufacturing partners are unable to successfully scale-up the manufacture of our drug candidates in sufficient quality and quantity, the development, testing and clinical trials of that drug candidate may be delayed or become infeasible, and regulatory approval or commercial launch of any resulting drug may be delayed or not obtained, which could significantly harm our business. The same risks would apply to our internal manufacturing facilities, should we in the future decide to build internal manufacturing capacity. In addition, building internal manufacturing capacity would carry significant risks in terms of being able to plan, design and execute on a complex project to build manufacturing facilities in a timely and cost-efficient manner.

In addition, the manufacturing process for any drug candidates that we may develop is subject to FDA, EMA and foreign regulatory requirements, and continuous oversight, and we will need to contract with manufacturers who can meet all applicable FDA, EMA and foreign regulatory authority requirements, including complying with current good manufacturing practices, or cGMPs, on an ongoing basis. If we or our third-party manufacturers are unable to reliably produce drug candidates in accordance with the requirements of the FDA, EMA or other regulatory authorities, we may not obtain or maintain the approvals we need to commercialize such drug candidates. Even if we obtain regulatory approval for any of our drug candidates, there is no assurance that either we or our third party contract manufacturers will be able to manufacture the approved drug in accordance with the requirements of the FDA, EMA or other regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the drug, or to meet potential future demand. Any of these challenges could delay completion of clinical trials, require bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our drug candidate, impair commercialization efforts, increase our cost of goods, and have an adverse effect on our business, financial condition, results of operations and growth prospects.

If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market any drug candidates we may develop, we may not be successful in commercializing those drug candidates if and when they are approved.

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing, or distribution of pharmaceutical drug candidates. To achieve commercial success for any approved drug candidate for which we retain sales and marketing responsibilities, we must either develop a sales and marketing organization or outsource these functions to third parties. In the future, we may choose to build a focused sales, marketing, and commercial support infrastructure to sell, or participate in sales activities with collaborators for, some of our drug candidates if and when they are approved.

There are risks involved with both establishing our own commercial capabilities and entering into arrangements with third parties to perform these services. For example, factors that may inhibit our efforts to commercialize any drug candidates, if and when approved, whether alone or in collaboration with others:

- our inability to recruit and retain adequate numbers of effective sales, marketing, coverage or reimbursement, customer service, medical affairs, and other support personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to prescribe any future approved drug candidates;
- the inability of reimbursement professionals to negotiate arrangements for formulary access, reimbursement, and other acceptance by payors;
- the inability to price our drug candidates at a sufficient price point to ensure an adequate and attractive level of profitability;
- the pricing of our products, particularly as compared to alternative treatments;
- availability of alternative effective treatments for indications our therapeutic candidates are intended to treat and the relative risks, benefits and costs of those treatments;
- restricted or closed distribution channels that make it difficult to distribute our drug candidates to segments of the patient population;

- the lack of complementary drug candidates to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive drug candidate lines; and
- unforeseen costs and expenses associated with creating an independent commercialization organization.

If the commercial launch of a drug candidate for which we recruit a sales force and establish marketing and other commercialization capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our commercialization personnel.

If we enter into arrangements with third parties to perform sales, marketing, commercial support, and distribution services, our sales revenue or the profitability of sales revenue may be lower than if we were to market and sell any drug candidates we may develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to commercialize our drug candidates or may be unable to do so on terms that are favorable to us. We may have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drug candidates effectively. If we do not establish commercialization capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our drug candidates if approved.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our drug candidates.

We face an inherent risk of product liability as a result of the clinical testing of our drug candidates and will face an even greater risk when and if we commercialize any drug candidates. For example, we may be sued if our drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Product liability claims may be brought against us by participants enrolled in our clinical trials, patients, health care providers or others using, administering or selling our drug candidates. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit testing and commercialization of our drug candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased or interrupted demand for our drug candidates;
- withdrawal of clinical trial participants and inability to continue clinical trials;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- drug recalls, withdrawals or labeling, marketing or promotional restrictions;
- termination of clinical trial sites or entire trial programs;
- injury to our reputation and significant negative media attention;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any drug candidate; and
- a decline in our share price.

Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of drug candidates we develop, alone or with potential collaborators. Our insurance policies may have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our

agreements with any future corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

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

Our business is subject to risks associated with conducting business internationally. Some of our suppliers and clinical trial centers are located outside of the United States. In particular, we are conducting clinical trial operations in Australia. We may enter into agreements with third parties for the development and commercialization of drug candidates in international markets. International business relationships will subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including:

- differing regulatory requirements for drug approvals internationally;
- rejection or qualification of foreign clinical trial data by the competent authorities of other countries;
- complexities and difficulties in obtaining, maintaining, protecting and enforcing our intellectual property;
- potential third-party patent rights in countries outside of the United States;
- the potential for so-called “parallel importing,” which is what occurs when a local seller, faced with relatively high local prices, opts to import goods from another jurisdiction with relatively low prices, rather than buying them locally;
- the potential for so-called “parallel exporting,” which is what occurs when a local seller buys goods meant for the locals and sells the goods for a higher price in another country, potentially causing or aggravating supply problems;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, or political instability, particularly in non-U.S. economies and markets, including several countries in Europe;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- regulatory and compliance risks that relate to anti-corruption compliance and record-keeping that may fall within the purview of the U.S. Foreign Corrupt Practices Act, its accounting provisions or its anti-bribery provisions or provisions of anti-corruption or anti-bribery laws in other countries;
- taxes in other countries;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism, public health crises, such as pandemics and epidemics, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

Any of these factors could harm our ongoing international clinical operations and supply chain, as well as any future international expansion and operations and, consequently, our business, financial condition, prospects and results of operations.

The COVID-19 pandemic, as well as other public health crises, catastrophic events or other events outside of our control, may adversely affect our capabilities or the capabilities of third parties on which we depend.

Our headquarters are located in California near major geologic faults that have experienced earthquakes in the past. An earthquake or other natural disaster or power shortages or outages could disrupt operations, impair critical systems or result in loss of clinical samples. Any of these disruptions or other events outside of our control could have a material adverse impact on our business, harming our operating results. In addition, if any of our suppliers or third-party service providers, such as our manufacturing partners or CROs, are affected by natural disasters, such as earthquakes, tsunamis, power shortages or outages, floods or monsoons, public health crises, such as pandemics and epidemics, political crises, such as terrorism, war, political instability or other conflict, cyberattacks, or other events outside of our control, our business and operating results could suffer. Disasters, public health crises and political crises occurring at third-party facilities also could negatively impact our clinical development and regulatory approval timelines, our reputation and the perception of our company. For example, as a result of the COVID-19 pandemic, we and our third-party service providers temporarily limited our operations or implemented limitations, including work-from-home policies. All employees have now returned to their pre-pandemic work locations and activities. However, as long as the pandemic continues, our employees may be exposed to health risks and government directives may require us to close again certain of our offices or our laboratory facility. In addition, as a result of "shelter-in-place" orders or other mandated travel restrictions, our on-site staff conducting research and development activities may not be able to access our laboratories, and these core activities may be significantly limited or curtailed, possibly for an extended period of time. Further, due to travel restrictions and "shelter-in-place" orders, we may experience limitations on the ability to recruit and hire key personnel due to the inability to meet with candidates and reduced ability to engage with the medical and investor communities due to the cancelation of conferences scheduled throughout the year. We also may experience operational challenges caused by sickness of our employees or their families, the desire of employees to avoid contact with large groups of people, and an increased reliance on working from home or mass transit disruptions. Furthermore, new quarantines for COVID-19 or other viruses could impact personnel at contract manufacturing facilities in China, Europe or elsewhere to deliver key materials or the availability or cost of starting materials. Any disruption of our contract manufacturing vendors in China, Europe or elsewhere to deliver key materials on a timely basis could have a material adverse effect on the initiation of new trials, the duration of open label extension studies and overall product development. In addition, we may experience delays or disruptions in non-clinical experiments and supplies for such experiments, including animals required for such experiments. These and other factors arising from the COVID-19 pandemic could worsen in countries that are already afflicted with COVID-19, could continue to spread to additional countries, or could return to countries where the pandemic has been partially contained, each of which could further adversely impact our ability to conduct clinical trials and our business generally, and could have a material adverse impact on our operations and financial condition and results.

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

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

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

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

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

We may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses or any other circumstances that would cause them no longer to provide their professional services to us in the near future. If we are not able to attract and retain necessary personnel and consultants to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy. In addition, we may need to adjust the size of our workforce as a result of changes to our

expectations for our business, which can result in diversion of management attention, disruptions to our business, and related expenses.

In addition, we recently announced a cost reduction program to reorganize operations and to allow continued support for the needs of its business following the clinical hold on atuzaginstat (COR388) IND, impacting a number of employees. Any reduction in force may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended reduction in force, the distraction of employees, reduced employee morale and could adversely affect our reputation as an employer, which could make it more difficult for us to hire new employees in the future and increase the risk that we may not achieve the anticipated benefits from the cost reduction program.

Our industry has experienced a high rate of turnover of management personnel in recent years. We recently announced resignation of our President and Chief Executive Officer, Chief Scientific Officer, Chief Medical Officer, Chief Legal and Administrative Officer and Corporate Secretary, Chief Financial Officer and Chief Operating Officer and our Executive Vice President of Research and Development. Changes in management is disruptive to our business and have also resulted in our loss of unique skills, loss of knowledge about our business. For example, our new management team has limited knowledge of our legacy clinical programs. Such turnover may also result in the departure of other existing employees or partners.

Replacing executive officers, key employees and consultants may be difficult and may take an extended period because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of and commercialize drug candidates successfully. Competition to hire and retain employees and consultants from this limited pool is intense, and we may be unable to hire, train, retain or motivate these additional key personnel and consultants. Our failure to retain or replace key personnel or consultants could materially harm our business. We may lose our ability to implement our business strategy successfully and could be seriously harmed. Any of our executive officers or key employees or consultants may terminate their employment at any time.

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

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

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

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

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include general liability, products liability and directors' and officers' insurance. We do not know, however, if we will be able to maintain insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations.

Failure to comply with health and data protection laws and regulations could lead to government enforcement actions, which could include civil or criminal penalties, private litigation, and/or adverse publicity and could negatively affect our operating results and business.

We and any of our potential collaborators may be subject to federal, state, and foreign data protection laws and regulations (i.e., laws and regulations that address privacy and data security). In the United States, numerous federal and state laws and regulations, including federal health information privacy laws, state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws, that govern the collection, use, disclosure, and protection of health-related and other personal information could apply to our operations or the operations of collaborators. In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH. Depending on the facts and circumstances, we could be subject to civil, criminal, and administrative penalties if we violate HIPAA.

Several foreign jurisdictions, including the European Union, or the EU, its member states, the United Kingdom and Australia, among others, have adopted legislation and regulations that increase or change the requirements governing the collection, use, disclosure and transfer of the personal information of individuals in these jurisdictions. These laws and regulations are complex and change frequently, at times due to changes in political climate, and existing laws and regulations are subject to different and conflicting interpretations, which adds to the complexity of processing personal data from these jurisdictions. These laws have the potential to increase costs of compliance, risks of noncompliance and penalties for noncompliance.

The General Data Protection Regulation, or GDPR, imposes numerous new requirements for the collection, use and disclosure of personal information, including more stringent requirements relating to consent and the information that must be shared with data subjects about how their personal information is used, the obligation to notify regulatory authorities and affected individuals of personal data breaches, extensive new internal privacy governance obligations, and obligations to honor expanded rights of individuals in relation to their personal information (for example, the right to access, correct and delete their data). In addition, the GDPR generally maintains restrictions on cross-border data transfer. The GDPR will increase our responsibility and liability in relation to personal data that we process, and we may be required to put in place additional potential mechanisms to ensure compliance.

Compliance with U.S. and international data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure to comply with these laws and regulations could result in government enforcement actions (which could include civil, criminal and administrative penalties), private litigation, and/or adverse publicity and could negatively affect our operating results and business. Moreover, clinical trial subjects, employees and other individuals about whom we or our potential collaborators obtain personal information, as well as the providers who share this information with us, may limit our ability to collect, use and disclose the information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business.

Changes in healthcare law and implementing regulations, as well as changes in healthcare policy, may impact our business in ways that we cannot currently predict, and may have a significant adverse effect on our business and results of operations.

In the United States and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of drug candidates, restrict or regulate post-approval activities, and affect our ability to profitably sell any drug candidates for which we obtain marketing approval. Among policy makers and payors in the United States and elsewhere, including in the European Union, or EU, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives.

The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA, substantially changed the way healthcare is financed by both the government and private insurers, and significantly impacts the U.S. pharmaceutical industry.

Since its enactment, there have been executive, judicial and Congressional challenges to certain aspects of the ACA. It is possible that the ACA will be subject to judicial or Congressional challenges in the future. It is unclear how any such challenges and the healthcare reform measures will impact the ACA and our business. Other healthcare reform measures that may be adopted in the future could have a material adverse effect on our industry generally and on our ability to maintain or increase sales of our existing

products that we successfully commercialize or to successfully commercialize our drug candidates, if approved. In addition to the ACA, there will continue to be proposals by legislators at both the federal and state levels, regulators and third-party payors to keep healthcare costs down while expanding individual healthcare benefits. For example, there has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. Specifically, there have been several recent presidential executive orders, Congressional inquiries, and proposed federal legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs.

Other legislative changes have been proposed and adopted since the ACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year pursuant to the Budget Control Act of 2011 and subsequent laws, which began in 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, unless additional Congressional action is taken. Under current legislation, the actual reduction in Medicare payments will vary from 1% in 2022 to up to 3% in the final fiscal year of this sequester. New laws may result in additional reductions in Medicare and other healthcare funding, which may adversely affect customer demand and affordability for our drug candidates and, accordingly, the results of our financial operations.

Also, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed drug candidates, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. Further, in July 2021, the Biden administration released an executive order, "Promoting Competition in the American Economy," with multiple provisions aimed at prescription drugs. In response to Biden's executive order, on September 9, 2021, HHS released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. No legislation or administrative actions have been finalized to implement these principles. It is unclear whether these or similar policy initiatives will be implemented in the future. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Further, Congress is considering additional health reform measures. At the state level, legislatures are increasingly passing legislation and implementing regulations designed to control pharmaceutical and biological drug pricing, including price or patient reimbursement constraints, discounts, restrictions on certain drug access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. Moreover, it is possible that additional governmental action is taken in response to the COVID-19 pandemic.

We expect that these and other healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that we receive for any approved drug candidate. Any reduction in reimbursement from Medicare or other government-funded programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our drug candidates, once marketing approval is obtained.

Our ability to successfully commercialize any drugs that we develop depends in part on the extent to which coverage and adequate reimbursement are available from government health administration authorities, private health insurers, and other organizations.

Our ability to successfully commercialize any drugs that we develop depends in part on the extent to which coverage and adequate reimbursement are available from government health administration authorities, private health insurers, and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, each individually decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Government authorities currently impose mandatory discounts for certain patient groups, such as Medicare, Medicaid and Veterans Affairs, or VA, hospitals, and may seek to increase such discounts at any time. Future regulation may negatively impact the price of our product candidates, if approved. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that coverage or reimbursement will be available for any drug candidate that we commercialize and, if coverage or reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any drug candidate for which we obtain marketing approval. In order to get coverage and reimbursement, physicians may need to show that patients have superior treatment outcomes with our products compared to standard of care drugs, including lower-priced generic versions of standard of care drugs. It is possible that a third-party payor may consider our product candidates, once approved, and other therapies as substitutable and only offer to reimburse patients for the less expensive product. Even if we show improved efficacy or improved convenience of administration with our product candidates, once approved,

compared to existing products, pricing of existing products may limit the amount we will be able to charge for our product candidates, once approved. Third-party payors may deny or revoke the reimbursement status of a given drug product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in product development. Because NOV004 is in the early stages of development, we are unable at this time to determine the likely level or method of coverage and reimbursement from third-party payors. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval. In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors, and coverage decisions and reimbursement levels for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that may require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the medicine is approved by the FDA, EMA or other comparable foreign regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale, and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies, but make their determinations independently and may impose additional restrictions. Our inability to promptly obtain and maintain coverage and profitable payment rates from both government-funded and private payors for any approved products we may develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drug candidates, and our overall financial condition. Further, coverage policies and third-party payor reimbursement rates may change at any time. Therefore, even if favorable coverage and reimbursement status is attained, less favorable coverage policies and reimbursement rates may be implemented in the future.

In the EU, coverage and reimbursement status of any drug candidates for which we obtain regulatory approval are provided for by the national laws of EU Member States. The requirements may differ across the EU Member States. Also, at national level, actions have been taken to enact transparency laws regarding payments between pharmaceutical companies and health care professionals.

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

On May 19, 2022, we completed the Acquisition. Although we currently have no plans to do so, we may attempt to acquire other businesses, technologies or drug candidates that we believe are a strategic fit with our business. If we do undertake any acquisitions, the process of integrating an acquired business, technology or drug candidates into our business may result in unforeseen operating difficulties and expenditures, including diversion of resources and management's attention from our core business. In addition, we may fail to retain key executives and employees of the companies we acquire, which may reduce the value of the acquisition or give rise to additional integration costs. Future acquisitions could result in additional issuances of equity securities that would dilute the ownership of existing stockholders. Future acquisitions could also result in the incurrence of debt, contingent liabilities or the amortization of expenses related to other intangible assets, any of which could adversely affect our operating results. In addition, we may fail to realize the anticipated benefits of any acquisition.

We have conducted and in the future may conduct clinical trials for our drug candidates outside the United States, and the FDA, European Medicines Agency and applicable foreign regulatory authorities may not accept data from such trials.

We recently concluded our COR588 Phase 1 trial outside the United States and in the future may choose to conduct one or more of our clinical trials outside the United States. In particular, we are conducting clinical trial operations in Australia. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA, EMA or applicable foreign regulatory authorities may be subject to certain conditions. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the United States population and United States medical practice; and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to Good Clinical Practice regulations. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory bodies have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA, EMA or any applicable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable

jurisdiction. If the FDA, EMA or any applicable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which would be costly and time-consuming and delay aspects of our business plan, and which may result in our drug candidates not receiving approval or clearance for commercialization in the applicable jurisdiction.

Interim, top-line and preliminary 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 or top-line data from our clinical studies, which are based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the top-line 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. Top-line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, top-line data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our clinical studies.

In addition, we may report interim analyses of only certain endpoints rather than all endpoints. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or by our competitors could result in volatility in the price of our common stock. Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular drug candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, 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 drug, drug candidate or our business. If the top-line data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our drug candidates may be harmed, which could harm our business, operating results, prospects or financial condition.

Changes in funding for the FDA and other government agencies or other disruptions at these agencies could prevent new products and services from being developed or commercialized in a timely manner, which could negatively impact our business.

The ability of the FDA to review and approve new drugs can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies 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 prolong the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. As a result of the COVID-19 pandemic, health regulatory agencies globally have experienced and may continue to experience disruptions in their operations. The FDA, EMA and comparable foreign regulatory agencies may have slower response times or be under-resourced to continue discussions with us regarding the scope or design of our clinical trials and, as a result, review, inspection, and other timelines may be materially delayed. It is unknown how long these disruptions could continue, were they to occur.

Even if we obtain regulatory approval for a drug candidate, it will remain subject to extensive ongoing regulatory review and requirements.

If any of our drug candidates are approved, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of

safety, efficacy, and other post-market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities.

Manufacturers and manufacturers' facilities are required to comply with extensive requirements imposed by the FDA, EMA and comparable foreign regulatory authorities, including ensuring that quality control and manufacturing procedures conform to cGMPs regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA or MAA. Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

Any regulatory approvals that we receive for our drug candidates will be subject to limitations on the approved indicated uses for which the drug candidate may be marketed and promoted or to the conditions of approval (including the potential for a requirement to implement a Risk Evaluation and Mitigation Strategy), or contain requirements for potentially costly post-marketing testing. We will be required to report certain adverse reactions and production problems, if any, to the FDA, EMA and comparable foreign regulatory authorities. Any new legislation addressing drug safety issues could result in delays in drug development or commercialization, or increased costs to assure compliance. The FDA and other agencies, including the Department of Justice, closely regulate and monitor the post-approval marketing and promotion of drug candidates to ensure that they are manufactured, marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. We will have to comply with requirements concerning advertising and promotion for our drug candidates. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the drug candidate's approved label. As such, we may not promote our drug candidates for indications or uses for which they do not have approval. The holder of an approved NDA or MAA must submit new or supplemental applications and obtain approval for certain changes to the approved drug candidate labeling, or manufacturing process. We could also be asked to conduct post-marketing clinical trials to verify the safety and efficacy of our drug candidates in general or in specific patient subsets. If original marketing approval was obtained via the accelerated approval pathway, we could be required to conduct a successful post-marketing clinical trial to confirm clinical benefit for our drug candidates. An unsuccessful post-marketing study or failure to complete such a study could result in the withdrawal of marketing approval.

If a regulatory agency discovers previously unknown problems with a drug, such as adverse events of unanticipated severity or frequency, or problems with the facility where the drug candidate is manufactured, or disagrees with the promotion, marketing or labeling of a drug candidate, such regulatory agency may impose restrictions on that drug candidate or us, including requiring withdrawal of the drug candidate from the market. If we fail to comply with applicable regulatory requirements, a regulatory agency or enforcement authority may, among other things:

- issue warning or untitled letters that would result in adverse publicity;
- impose civil or criminal penalties;
- suspend or withdraw regulatory approvals;
- suspend any of our ongoing clinical trials;
- mandate modifications to promotional materials or require us to provide corrective information to healthcare practitioners;
- require us to enter into a consent decree or permanent injunction, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific actions and penalties for noncompliance;
- withdraw regulatory approval;
- refuse to approve pending applications or supplements to approved applications submitted by us;
- impose restrictions on our operations, including closing our contract manufacturers' facilities;
- seize or detain drug candidates; or
- require a drug candidate recall.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our drug candidates. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

The policies of the FDA and of other regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug 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, which would adversely affect our business, prospects, financial condition and results of operations.

Non-compliance by us or any future collaborator with regulatory requirements, including safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population can also result in significant financial penalties.

If we fail to comply with healthcare laws, we could face substantial penalties and our business, operations and financial condition could be adversely affected.

Our operations are subject to various federal and state fraud and abuse laws. The laws that may impact our operations include:

- federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. 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. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- federal civil and criminal false claims laws, including the False Claims Act, and civil monetary penalty laws, which impose criminal and civil penalties, including through civil “qui tam” or “whistleblower” actions, against individuals or entities from, among other things, knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid, or other third-party payors that are false or fraudulent or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of these statutes or specific intent to violate them in order to have committed a violation;
- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), which created new federal criminal statutes that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters;
- HIPAA, as amended by HITECH, and their respective implementing regulations, which impose requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates and their subcontractors that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization;
- the federal Physician Payment Sunshine Act, created under the ACA, and its implementing regulations, which require certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program to report annually to the U.S. Department of Health and Human Services under the Open Payments Program, information related to payments or other transfers of value made to physicians, (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- analogous state and foreign laws and regulations, such as state and foreign anti-kickback, false claims, consumer protection and unfair competition laws which may apply to pharmaceutical business practices, including but not limited to, research, distribution, sales and marketing arrangements as well as submitting claims involving healthcare items or services reimbursed by any third-party payer, including commercial insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government that otherwise restricts payments that may be made to healthcare providers and other potential referral sources; state laws that require the registration of sales representatives; state laws that require drug manufacturers to file reports with states regarding pricing and marketing information, such as the tracking and reporting of gifts, compensations and other remuneration and items of value provided to healthcare professionals and entities; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities, including compensating physicians with stock or stock options, could, despite our efforts to comply, be subject to challenge under one or more of such laws. Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, imprisonment, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, the approval and commercialization of any of our drug candidates outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws.

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

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

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

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

Our business activities may be subject to the FCPA and similar anti-bribery or anti-corruption laws, regulations or rules of other countries in which we may operate, including the U.K. Bribery Act. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non-U.S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non-U.S. governments. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA. Recently the Securities and Exchange Commission, or SEC, and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents, contractors, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of our facilities, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our drug candidates in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results, and financial condition.

Any collaboration arrangements that we may enter into in the future may not be successful, which could adversely affect our ability to develop and commercialize potential future drug candidates.

We may consider collaboration arrangements with pharmaceutical or biotechnology companies for the development or commercialization of drug candidates depending on the merits of retaining or divesting some or all commercialization rights. We will face, to the extent that we decide to enter into collaboration agreements, significant competition in seeking appropriate collaborators. 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 so chose to enter into such arrangements. The terms of any collaborations or other arrangements that we may establish may not be favorable to us.

Any future collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include that:

- collaborators have significant discretion in determining the efforts and resources that they will apply to collaborations;
- collaborators may not pursue development and commercialization of our drug candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive drug candidates, availability of 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, abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, drug candidates that compete directly or indirectly with our drug candidates;
- a collaborator with marketing, manufacturing and distribution rights to one or more drug candidates 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;
- disputes may arise between us and a collaborator that causes the delay or termination of the research, development or commercialization of our current or future drug candidates or that results in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated, and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable current or future drug candidates;

- collaborators may own or co-own intellectual property covering our drug candidates that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property; and
- a collaborator's sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

Risks Relating to Our Intellectual Property

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

Our commercial success will depend in part on obtaining and maintaining a combination of patent protection, trade secret protection and confidentiality agreements to protect the intellectual property related to our current and future drug candidates and the methods used to manufacture them, as well as successfully defending these patents against third-party challenges. Our ability to stop third parties from making, using, selling, offering to sell or importing our drug candidates is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities.

The patent positions of biotechnology and pharmaceutical companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in pharmaceutical patents has emerged to date in the United States or in many jurisdictions outside of the United States. Changes in either the patent laws or interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property. Accordingly, we cannot predict the breadth of claims that may be enforced in the issued patents that we currently own, or in patents that may issue from the applications we currently or may in the future own or license from third parties. Further, if any patents we obtain or license are deemed invalid and unenforceable, our ability to commercialize or license our technology could be adversely affected.

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

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our current or future drug candidates and proprietary technologies and erode or negate any competitive advantage we may have, which could have a material adverse effect on our financial condition and results of operations. For example:

- others may be able to make compounds that are similar to our drug candidates but that are not covered by the claims of our patents;
- we might not have been the first to make the inventions covered by our pending patent applications;
- we might not have been the first to file patent applications for these inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- any patents that we obtain may not provide us with any competitive advantages;
- we may not develop additional proprietary technologies that are patentable; or
- the patents of others may have an adverse effect on our business.

We have applied, and we intend to continue applying, for patents covering aspects of our current drug candidates, any future drug candidates, or other proprietary technologies and their uses that we deem appropriate. However, we may not be able to apply for patents on certain aspects of our current or future drug candidates, proprietary technologies and their uses in a timely fashion, at a reasonable cost, in all jurisdictions, or at all, and any potential patent coverage we obtain may not be sufficient to prevent

substantial competition. As of June 30, 2022, we were the owner of record of eight issued U.S. patents, 40 non-U.S. patents, and 58 pending U.S. and non-U.S. patent applications. Through the May 2022 acquisition of Novosteo, Inc., we are also the exclusive licensee of 1 issued U.S. patent, and 20 pending U.S. and non U.S. patent applications and the owner of record of 1 additional pending U.S. patent application (all issued U.S. patents, non-U.S. patents, and pending U.S. and non-U.S. patent applications mentioned above, collectively, “the Quince patent portfolio”).

Five issued U.S. patents and 38 issued non-U.S. patents in the Quince patent portfolio relate to atuzaginstat (COR388), with claims directed to atuzaginstat (COR388) and related pharmaceutical compounds, pharmaceutical compositions containing these compounds, and use of these compounds in the treatment of various indications. Pending U.S. and non-U.S. patent applications in the Quince patent portfolio relate to atuzaginstat (COR388) and related pharmaceutical compounds, pharmaceutical compositions containing these compounds, methods of using these compounds in the treatment of various indications, and methods of making these compounds.

In addition, three issued U.S. patents and two non-U.S. patent in the Quince patent portfolio relate to pharmaceutical compounds that do not encompass atuzaginstat (COR388), with claims directed to pharmaceutical compounds, pharmaceutical compositions containing these compounds, and use of these compounds in the treatment of various indications. Pending U.S. and non-U.S. patent applications relate to additional compounds in these areas; as well as to diagnostic methods and assay methods.

One issued U.S. patent in the Quince patent portfolio relates to NOV004, with claims directed to NOV004 and related pharmaceutical compounds, pharmaceutical compositions containing these compounds, and use of these compounds in the treatment of bone fractures. Pending U.S. and non-U.S. patent applications in the Quince patent portfolio relate to NOV004 and related pharmaceutical compounds, pharmaceutical compositions containing these compounds, and methods of using these compounds in the treatment of various indications.

Without patent protection on the composition of matter of our current or future drug candidates, our ability to assert our patents to stop others from using or selling our current or future drug candidates may be limited. Due to the patent laws of a country, or the decisions of a patent examiner in a country, or our own filing strategies, we may not obtain patent coverage for all of our current or future drug candidates or methods involving the use of these candidates in a particular patent application. We plan to pursue divisional patent applications or continuation patent applications in the United States and other countries, where applicable, to obtain claim coverage for inventions which were disclosed but not claimed in a particular parent patent application.

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

- the U.S. Patent and Trademark Office, or USPTO, and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process, the noncompliance with which can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction;
- patent applications may not result in any patents being issued;
- patents that may be issued or in-licensed may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- our competitors, many of whom have substantially greater resources than we do and many of whom have made significant investments in competing technologies, may seek or may have already obtained patents that will limit, interfere with or eliminate our ability to make, use and sell our potential drug candidates;
- other parties may have designed around our claims or developed technologies that may be related or competitive to our platform, may have filed or may file patent applications and may have received or may receive patents that overlap or conflict with our patent applications, either by claiming the same compounds, compositions of matter, or methods, or formulations, or by claiming subject matter that could dominate our patent position;
- any successful opposition to any patents owned by or licensed to us could deprive us of rights necessary to prevent others from practicing our technologies or to successfully commercialize any drug candidates that we may develop;

- because patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we or our licensors were the first to file any patent application related to our current drug candidates, any future drug candidates, and other proprietary technologies and their uses;
- an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of applications we may in-license which have an effective filing date before March 16, 2013;
- there may be significant pressure on the U.S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns; and
- countries other than the United States may have patent laws less favorable to patentees than those upheld by U.S. courts, allowing foreign competitors a better opportunity to create, develop and market competing drug candidates in those countries.

The patent prosecution process is also expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner, including delays as a result of the COVID-19 pandemic impacting our or our licensor's operations. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection for such output. In addition, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our inventions and the prior art allow our inventions to be patentable over the prior art. Furthermore, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in any of our owned or licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions. We may also rely on trade secrets to protect our technology, especially where we do not believe patent protection is appropriate or feasible. However, trade secrets are difficult to protect. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose our information to competitors. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how.

We depend on a license agreement with Purdue and termination of this license could result in the loss of significant rights, which would harm our business.

On June 3, 2020, Novosteo entered into a License Agreement with Purdue Research Foundation, as amended on March 21, 2022 (the "Purdue Agreement"). Under the Purdue Agreement, we obtained an exclusive worldwide license under certain bone fracture repair and oncology therapeutics related patents and technology developed by the Purdue University and owned by Purdue Research Foundation to make or have made, use, sell or have sold, and import, and otherwise exploit products that are covered by such patents and technology, including the right to grant and authorize sublicenses, subject to Purdue Research Foundation's consent. Such exclusive license is subject to certain rights retained by the U.S. government and Purdue Research Foundation.

In addition, we are required to pay Purdue Research Foundation annual license maintenance fee, development milestones (up to \$4.25 million for each licensed product), low single digit running royalty on the gross receipts of the licensed products (subject to minimum annual royalty), and a share of certain payments that we may receive from our sublicensees. As a result, it may not be possible for us to develop and manufacture any drug candidates at a cost or in quantities sufficient to make these drugs commercially viable or to maintain current operating margins. The Purdue Agreement also requires us to bear the cost of the prosecution and maintenance of the licensed patents.

Pursuant to the Purdue Agreement, we are required to use commercially reasonable efforts to develop, manufacture and commercialize the licensed product in accordance with a mutually agreed development timelines and commercialization plan.

If we fail to pay any sum due, miss any milestone timelines or otherwise materially breach the agreement or fail to cure such breach within specified cure period), Purdue has the right to terminate our license, and upon the effective date of such termination, we must cease all activities licensed all rights, data, information, know-how, and material licensed or transferred to us

under this license agreement will revert to Purdue and all rights, data, information, know-how, material, records and registrations developed or made by us that relate in whole or in part to the activities contemplated by our amended and restated license agreement with Purdue will be transferred to Purdue. Any uncured, material breach under the license agreement could result in loss in our rights to develop and market NOV004 and experience significant delays in the development or commercialization of NOV004, which could have a material adverse impact on our operations and financial condition and results.

Further, Purdue Research Foundation or any future licensors may not always act in our best interest. If disputes over intellectual property rights that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, our business, results of operations, financial condition, and prospects may be adversely affected. We may enter into additional licenses in the future and if we fail to comply with obligations under those agreements, we could suffer adverse consequences.

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

Third parties, including competitors, may infringe, misappropriate or otherwise violate our patents, patents that may issue to us in the future, or the patents of our licensors that are licensed to us. To counter infringement or unauthorized use, we may need to choose to file infringement claims, which can be expensive and time-consuming. We may not be able to prevent, alone or with our licensors, infringement, misappropriation, or other violation of our intellectual property, particularly in countries where the laws may not protect those rights as fully as in the United States. If we choose to go to court to stop another party from using the inventions claimed in any patents we obtain, that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced against that third party for any number of reasons. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace. Grounds for a validity challenge include an alleged failure to meet any of several statutory requirements for patentability, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before the USPTO, even outside the context of litigation. Similar mechanisms for challenging the validity and enforceability of a patent exist in non-U.S. patent offices and may result in the revocation, cancellation, or amendment of any non-U.S. patents we hold in the future. The outcome following legal assertions of invalidity and unenforceability is unpredictable, and prior art could render our patents, or those of our licensor's, invalid. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more drug candidates. Such a loss of patent protection would have a material adverse impact on our business.

These lawsuits are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if we were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that we do not have the right to stop the other party from using the claimed inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe our rights to such patents. In addition, the U.S. Supreme Court has recently modified some tests used by the USPTO in granting patents over the past 20 years, which may decrease the likelihood that we will be able to obtain patents and increase the likelihood of challenge of any patents we obtain or license.

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

Even if resolved in our favor, litigation or other legal proceedings relating to our intellectual property rights may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace.

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. There could also 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 material adverse effect on the price of our common stock.

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

In addition, proceedings to enforce or defend our patents, including those of our licensor's, could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If any of our patents covering our drug candidates are invalidated or found unenforceable, or if a court found that valid, enforceable patents held by third parties covered one or more of our drug candidates, our competitive position could be harmed or we could be required to incur significant expenses to enforce or defend our rights. If we initiate lawsuits to protect or enforce our patents, or litigate against third party claims, such proceedings would be expensive and would divert the attention of our management and technical personnel.

We may infringe the intellectual property rights of others, which may prevent or delay our drug development efforts and stop us from commercializing or increase the costs of commercializing our drug candidates.

Our success will depend in part on our ability to operate without infringing the intellectual property rights of third parties. We cannot guarantee that our drug candidates, or manufacture or use of our drug candidates, will not infringe third-party patents.

Furthermore, a third party may claim that we or our manufacturing or commercialization collaborators are using inventions covered by the third party's patent rights and may go to court to stop us from engaging in our normal operations and activities, including making or selling our drug candidates. These lawsuits are costly and could affect our results of operations and divert the attention of managerial and scientific personnel. There is a risk that a court would decide that we or our commercialization collaborators are infringing the third party's patents and would order us or our collaborators to stop the activities covered by the patents. In that event, we or our commercialization collaborators may not have a viable way around the patent and may need to halt commercialization of the relevant drug candidate. In addition, there is a risk that a court will order us or our collaborators to pay the other party damages for having violated the other party's patents. If we collaborate with third parties in the development of technology in the future, our collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation or potential liability. Further, our collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability. In the future, we may agree to indemnify our collaborators against certain intellectual property infringement claims brought by third parties. The pharmaceutical and biotechnology industries have produced a proliferation of patents, and it is not always clear to industry participants, including us, which patents cover various types of drug candidates or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform.

Any claims of patent infringement asserted by third parties would be time consuming and could:

- result in costly litigation;
- divert the time and attention of our technical personnel and management;
- cause development delays;
- prevent us from out-licensing our legacy assets or commercializing NOV004, or our other drug candidates until the asserted patent expires or is finally held invalid, unenforceable, or not infringed in a court of law;
- require us to develop non-infringing technology, which may not be possible on a cost-effective basis;
- require us to pay damages to the party whose intellectual property rights we may be found to be infringing, which may include treble damages if we are found to have been willfully infringing such intellectual property;
- require us to pay the attorney's fees and costs of litigation to the party whose intellectual property rights we may be found to be infringing; and/or

- require us to enter into royalty or licensing agreements, which may not be available on commercially reasonable terms, or at all.

If we are sued for patent infringement, we would need to demonstrate that our drug candidates or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Proving invalidity or unenforceability is difficult.

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

We do not routinely conduct independent reviews of pending patent applications of and patents issued to third parties. We cannot be certain that others have not filed patent applications for technology covered by our pending applications, or that we were the first to invent the technology, because:

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

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

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

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

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

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on any issued patents and/or pending applications are 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 have systems in place to remind us to pay these fees, and we employ an outside firm to pay these fees due to the USPTO and non-U.S. patent agencies. The USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and 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. If we 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. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse effect on our business.

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

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers. If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and drug candidate could be significantly diminished.

As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. 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. We may also be subject to claims that former employees, or other third parties have an ownership interest in our patents or other intellectual property. In addition, we may face claims by third parties that our agreements with employees, contractors or consultants obligating them to assign intellectual property to us are ineffective or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such intellectual property. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

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

We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors, and invention assignment agreements with employees, consultants and advisors, to protect our trade secrets and other proprietary information. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Despite these efforts, we cannot provide any assurances that all such agreements have been duly executed, and these agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. For example, the FDA, as part of its Transparency Initiative, is currently considering whether to make additional information publicly available on a routine basis, including information that we may consider to be trade secrets or other proprietary information, and it is not clear at the present time how the FDA's disclosure policies may change in the future, if at all. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

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

Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, third parties may still obtain this information or may come upon this or similar information independently, and we would have no right to prevent them from using that technology or information to compete with us. Trade secrets could over time be disseminated within the industry through independent development, the publication of journal articles and the movement of personnel skilled in the art from company to company or academic to industry scientific positions.

Though our agreements with third parties typically restrict the ability of our advisors, employees, collaborators, licensors, suppliers, third-party contractors and consultants to publish data potentially relating to our trade secrets, our agreements may contain certain limited publication rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Because from time to time we expect to rely on third parties in the development, manufacture, and distribution of our drug candidates and provision of our services, we must, at times, share trade secrets with them. Despite employing the contractual and other security precautions described above, the need to share trade secrets increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced and our competitive position would be harmed.

In the future, we may need to obtain licenses of third-party technology that may not be available to us or are available only on commercially unreasonable terms, and which may cause us to operate our business in a more costly or otherwise adverse manner that was not anticipated.

From time to time we may be required to license technology from third parties to further develop or commercialize our drug candidates. Should we be required to obtain licenses to any third-party technology, including any such patents required to manufacture, use or sell our drug candidates, such licenses may not be available to us on commercially reasonable terms, or at all. The inability to obtain any third-party license required to develop or commercialize any of our drug candidates could cause us to abandon any related efforts, which could seriously harm our business and operations.

Where we obtain licenses from or collaborate with 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, or such activities, if controlled by us, may require the input of such third parties. We may also require the cooperation of our licensors and collaborators to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business, in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such applications. Moreover, if we do obtain necessary licenses, we will likely have obligations under those licenses, including making royalty and milestone payments, and any failure to satisfy those obligations could give our licensor the right to terminate the license.

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

develop and commercialize, if any. Therefore, even if we successfully develop and commercialize drug candidates, we may be unable to achieve or maintain profitability.

Intellectual property rights do not necessarily address all potential threats to our competitive advantage.

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

- others may be able to make drug candidates that are similar to ours but that are not covered by the claims of the patents that we own;
- we or future collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or have exclusively licensed;
- we or future collaborators might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- issued patents that we own or have exclusively licensed may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive drug candidates for sale in our major commercial markets;
- we cannot ensure that any of our patents, or any of our pending patent applications, if issued, or those of our licensors, will include claims having a scope sufficient to protect our drug candidates;
- we cannot ensure that any patents issued to us or our licensors will provide a basis for an exclusive market for our commercially viable drug candidates or will provide us with any competitive advantages;
- we cannot ensure that our commercial activities or drug candidates will not infringe upon the patents of others;
- we cannot ensure that we will be able to successfully commercialize our drug candidates on a substantial scale, if approved, before the relevant patents that we own or license expire;
- we may not develop additional proprietary technologies that are patentable; and
- the patents of others may have an adverse effect on our business.
- Should any of these events occur, they would significantly harm our business, results of operations and prospects.

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

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

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

Patents are of national or regional effect, and filing, prosecuting and defending patents on all of our drug candidates throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. As such, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing drug candidates made using our inventions in and into the United States or other jurisdictions. Further, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to pharmaceuticals, which

could make it difficult for us to stop the infringement of our patents or marketing of competing drug candidates in violation of our proprietary rights generally. In addition, certain developing countries, including China and India, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit, and in those countries, we and our licensors and licensees may have limited remedies if patents are infringed or if we or our licensors or licensees are compelled to grant a license to a third party, which could diminish the value of those patents. This could limit our potential revenue opportunities. Further, competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drug candidates and, further, may export otherwise infringing drug candidates to territories where we have patent protection but where enforcement is not as strong as that in the United States. These drug candidates may compete with our drug candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

No earlier than October 1, 2022, European applications will soon have the option, upon grant of a patent, of becoming a Unitary Patent which will be subject to the jurisdiction of the Unitary Patent Court (“UPC”). This will be a significant change in European patent practice. As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation.

Geo-political actions in the United States and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors and the maintenance, enforcement or defense of our issued patents or those of any current or future licensors. For example, the United States and foreign government actions related to Russia’s invasion of Ukraine may limit or prevent filing, prosecution and maintenance of patent applications in Russia. Government actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of our patents or patent applications, resulting in partial or complete loss of patent rights in Russia. If such an event were to occur, it could have a material adverse effect on our business. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees that have citizenship or nationality in, are registered in, or have predominately primary place of business or profit-making activities in the United States and other countries that Russia has deemed unfriendly without consent or compensation. Consequently, we would not be able to prevent third parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.

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

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Our patent rights may be affected by developments or uncertainty in U.S. or non-U.S. patent statutes, patent case laws in USPTO rules and regulations or in the rules and regulations of non-U.S. patent offices.

Obtaining and enforcing patents in the pharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs. Recent patent reform legislation in the United States and other countries, including the Leahy-Smith America Invents Act (the Leahy-Smith Act), signed into law on September 16, 2011, could increase those uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. These include allowing third-party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, inter parties review, and derivation proceedings. After March 2013, under the Leahy-Smith Act, the United States transitioned to a first inventor to file system in which, assuming that the other statutory requirements are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. However, the Leahy-Smith Act and its implementation could increase the uncertainties and costs surrounding the

prosecution of our 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. In addition, Congress may pass patent reform legislation that is unfavorable to us.

The U.S. Supreme Court has ruled on several patent cases in recent years, narrowing the scope of patent protection available in certain circumstances and weakening the rights of patent owners in certain situations. Depending on future actions by the U.S. Congress, the U.S. courts, the USPTO and the relevant law-making bodies in other countries, 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 patents that we might obtain in the future.

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

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

Patent terms may be inadequate to protect our competitive position on our drug candidates for an adequate amount of time, and if we do not obtain patent term extension for our drug candidates, our business may be materially harmed.

Patent rights are of limited duration. In the United States, the natural expiration of a patent is generally 20 years after its first effective non-provisional filing date. In addition, although upon issuance a U.S. patent's life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such drug candidates are commercialized. Even if patents covering our drug candidates are obtained, once the patent life has expired for a drug candidate, we may be open to competition from generic products. A patent term extension of up to five years based on regulatory delay may be available in the United States under the Hatch- Waxman Act. However, only a single patent can be extended for each marketing approval, and any patent can be extended only once, for a single drug candidate. Moreover, the scope of protection during the period of the patent term extension does not extend to the full scope of the claim, but instead only to the scope of the drug candidate as approved. Further, a patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of drug candidate approval and only those claims covering such approved drug candidate, a method for using it or a method for manufacturing it may be extended. Laws governing analogous patent term extensions in foreign jurisdictions vary widely, as do laws governing the ability to obtain multiple patents from a single patent family. Additionally, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or restoration, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our drug candidate will be shortened and our competitors may obtain approval of competing drug candidates following our patent expiration, and our revenue could be reduced.

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 current or future trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements

or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our financial condition or results of operations.

Moreover, any name we have proposed to use with our drug candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed drug candidate names, including an evaluation of potential for confusion with other drug candidate names. If the FDA (or an equivalent administrative body in a foreign jurisdiction) objects to any of our proposed proprietary drug candidate names, we may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

If any of our product candidates obtains regulatory approval additional competitors could enter the market with generic versions, which may result in a material decline in sales of affected drugs.

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

Accordingly, if any of our small molecule drug candidates receive FDA approval, competitors could file ANDAs for generic versions of our drugs or 505(b)(2) NDAs that reference our drugs, respectively. If there are patents listed for a drug in the Orange Book, those ANDAs and 505(b)(2) NDAs would be required to include a certification as to each listed patent indicating whether the ANDA applicant does or does not intend to challenge the patent. We cannot predict how any generic competitor would address patents we may list in the Orange Book, if any, whether we would sue on any such patents, or the outcome of any such suit.

We may not be successful in securing or maintaining proprietary patent protection for drug candidates and technologies we develop or license. Moreover, if any of our owned or in-licensed patents that are listed in the Orange Book are successfully challenged by way of a Paragraph IV certification and subsequent litigation, the affected drug could immediately face generic competition and its sales would likely decline rapidly and materially. Should sales decline, we may have to write off a portion or all of the intangible assets associated with the affected drug and our results of operations and cash flows could be materially and adversely affected.

Risks Relating to Owning Our Common Stock

The market price of our common stock is likely to be volatile and could fluctuate or decline, resulting in a substantial loss of your investment.

The market price of our common stock has been and may continue to be volatile and could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including:

- results of clinical trials and, as we experienced following the announcement of the full clinical hold imposed by the FDA;

- our ability to partner our legacy assets;
- developments of COR588 and atuzaginstat (COR388) for treatment of Alzheimer’s disease or other non-CNS indications, including Oncology and Periodontitis;
- results of clinical trials of other drug candidates being evaluated for Alzheimer’s disease or other neurodegenerative diseases;
- any delays in manufacturing of drug supplies, results of preclinical studies and clinical trials for NOV004 for the treatment of osteogenesis imperfecta, general fractures and spinal fusion;
- regulatory actions with respect to our drug candidates or our competitors’ drug candidates, such as the recently announced clinical hold by the FDA;
- actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in our quarterly and annual results;
- announcement of actual or anticipated reduction in force;
- announcements of technological innovations by us or our competitors;
- overall conditions in our industry and the markets in which we operate;
- addition or loss of significant customers, or other developments with respect to significant customers;
- changes in laws or regulations applicable to our drug candidates;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel, such as the recently announced departure of Chief Executive Officer, Chief Scientific Officer, Chief Medical Officer, Chief Legal and Administrative Officer and Corporate Secretary and Chief Operating and Financial Officer and Executive Vice President of Research and Development;
- competition from existing drug candidates or new drug candidates that may emerge;
- issuance of new or updated research or reports by securities analysts;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- disputes or other developments related to proprietary rights, including patents, litigation matters, and our ability to obtain intellectual property protection for our technologies;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us or our stockholders;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- market conditions for pharmaceutical stocks in general;
- the expiration of contractual lock-up agreements with our executive officers, directors and stockholders;
- general economic and market conditions, including developments relating to the COVID-19 pandemic and the associated economic downturn; and
- ineffectiveness of our disclosure controls or internal controls.

Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs and divert our management’s attention from other business concerns, which could seriously harm our business.

We may be subject to securities class action and stockholder derivative actions. These, and potential similar or related litigation, could result in substantial damages and may divert management's time and attention from our business and adversely impact our business, results of operations and financial condition.

We may become the target of securities class actions or stockholder derivative claims. Securities-related class action litigation has often been brought against companies, including many biotechnology companies, which experience volatility in the market price of their securities. This risk is especially relevant for us because biotechnology and biopharmaceutical companies often experience significant stock price volatility in connection with their product development programs. Any preclinical or clinical trial results that the investors may deem as unfavorable, volatility in our stock price and other matters affecting our business and operations may subject us to actual and threatened securities class actions or stockholder derivative claims. In addition, we may be exposed to increased litigation from stockholders, customers, suppliers, consumers and other third parties due to the combination of Novosteo's business and ours following the Acquisition. These types of proceedings may result in substantial costs, divert management's attention from other business concerns and adversely impact our business, results of operations and financial condition.

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

On December 23, 2021, we entered into an Open Market Sales Agreement with Jefferies, whereby we may sell up to \$150.0 million in aggregate proceeds of common stock from time to time, through Jefferies as our sales agent. Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Certain holders of our common stock have rights, subject to conditions, to require us to file registration statements covering their shares or to include their shares in Securities Act registration statements that we may file for ourselves or other stockholders. Once we register these shares, they can be freely sold in the public market. Moreover, we have also registered under the Securities Act shares of common stock that we may issue under our equity compensation plans.

In addition, the issuance of shares under awards granted under existing or future employee equity benefit plans may cause immediate and substantial dilution to our existing stockholders. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement, employee arrangements or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause our stock price to decline.

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

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

General Risk Factors

Our charter documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock.

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- providing for a classified board of directors with staggered, three-year terms;
- authorizing our board of directors to issue preferred stock with voting or other rights or preferences that could discourage a takeover attempt or delay changes in control;
- prohibiting cumulative voting in the election of directors;

- providing that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- prohibiting the adoption, amendment or repeal of our amended and restated bylaws or the repeal of the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors without the required approval of at least 66.67% of the shares entitled to vote at an election of directors;
- prohibiting stockholder action by written consent;
- limiting the persons who may call special meetings of stockholders; and
- requiring advance notification of stockholder nominations and proposals.

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, which is responsible for appointing the members of our management. In addition, the provisions of Section 203 of the Delaware General Corporate Law, or the DGCL, govern us. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time without the consent of our board of directors.

These and other provisions in our amended and restated certificate of incorporation and our amended and restated bylaws and under Delaware law could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' abilities 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 to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees or agents or our stockholders;
- any action asserting a claim against us arising under the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine;

provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our amended and restated certificate of incorporation also provides that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, these provisions may 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. While the Delaware Supreme Court recently determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us, our directors, officers, or other employees in a venue other than in the federal district courts of the United States of America. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation, and this may require significant additional costs associated with resolving such action in other jurisdictions.

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

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

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

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

Our internal computer systems, or those used by our third-party research institution collaborators, CROs or other contractors or consultants, may fail or suffer security breaches.

Despite the implementation of security measures, our internal computer systems and those of our future CROs and other contractors and consultants may be vulnerable to damage from computer viruses and unauthorized access. Although to our knowledge we have not experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed, ongoing or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on our third-party research institution collaborators for research and development of our drug candidates and other third parties for the manufacture of our drug candidates and to conduct clinical trials, 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 systems, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our drug candidates could be delayed.

Our ability to utilize our federal net operating loss and tax credit carryforwards may be limited.

Our net operating loss, or NOL, carryforwards could expire unused and be unavailable to offset future income tax liabilities because of their limited duration or because of restrictions under U.S. tax law. NOLs generated in tax years ending on or prior to December 31, 2017 are only permitted to be carried forward for 20 taxable years under applicable U.S. federal tax law. Moreover, under the Tax Act as modified by the CARES Act, federal NOLs generated in tax years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal NOLs may be limited to 80% of taxable income for tax years beginning January 1, 2018.

Under Sections 382 and 383 of the Internal Revenue Code, limitations on a corporation's ability to use its NOLs and tax credit carryforwards apply if a corporation undergoes an "ownership change," which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period. If we have experienced an ownership change at any time since our incorporation, we may already be subject to limitations on our ability to utilize our existing NOL carryforwards and other tax attributes to offset taxable income or tax liability. In addition, future changes in our stock ownership, which may be outside of our control, may trigger an ownership change. Similar provisions of state tax law may also apply

to limit our use of accumulated state tax attributes. As a result, even if we earn net taxable income in the future, our ability to use our pre-change NOL carryforwards and other tax attributes to offset such taxable income or tax liability may be subject to limitations, which could potentially result in increased future income tax liability to us.

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

None.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits. • timely and successful completion

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index, timely and successful completion which Exhibit Index is incorporated herein by reference.

Exhibit Number	Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
2.1	Agreement and Plan of Merger and Reorganization, dated as of May 9, 2022, by and among Cortexyme, Inc., Novosteo Inc., Quince Merger Sub I, Inc., Quince Merger Sub II, LLC and Fortis Advisors LLC	8-K	5/12/2022	001-38890	
3.1	Amended and Restated Certificate of Incorporation	8-K	5/13/2019	001-38890	
3.2	Certificate of Amendment to the registrant's Certificate of Incorporation, effective August 1, 2022	8-K	8/1/2022	001-38890	
3.3	Amended and Restated Bylaws	8-K	8/1/2022	001-38890	
10.1+	Separation Agreement, by and between Cortexyme, Inc. and Michael Detke, dated as of May 2, 2022				X
10.2+	Employment Offer Letter, by and between Cortexyme, Inc. and Brendan Hannah, dated May 9, 2022				X
10.3+	Employment Offer Letter, by and between Cortexyme, Inc. and Karen Smith, dated May 9, 2022				X
10.4+	Employment Offer Letter, by and between Cortexyme, Inc. and Dirk Thye, dated May 9, 2022				X
10.5+	Cortexyme, Inc. 2022 Inducement Plan	S-8	5/20/2022	333-265109	
10.6+	Forms of Stock Option Award Agreement, Notice of Stock Option Grant and Exercise Notice under Cortexyme, Inc. 2022 Inducement Plan	S-8	5/20/2022	333-265109	
10.7+	Forms of Restricted Stock Unit Award Agreement and Notice of Restricted Stock Unit Grant Cortexyme, Inc. 2022 Inducement Plan	S-8	5/20/2022	333-265109	
10.8+	Novosteo Inc. 2019 Equity Incentive Plan	S-8	5/20/2022	333-265109	
10.9+	Separation Agreement, by and between Cortexyme, Inc. and Caryn G. McDowell, dated as of May 19, 2022				X
10.10+	Executive Change in Control and Severance Agreement, by and between Cortexyme, Inc. and Brendan Hannah, dated as of May 19, 2022				X
10.11+	Executive Change in Control and Severance Agreement, by and between Cortexyme, Inc. and Karen Smith, dated as of May 19, 2022				X
10.12+	Executive Change in Control and Severance Agreement, by and between Cortexyme, Inc. and Dirk Thye, dated as of May 19, 2022				X
10.13+	Separation Agreement, by and between Cortexyme, Inc. and Christopher Lowe, dated as of June 10, 2022				X
10.14	Sublease Agreement, by and between Cortexyme, Inc. and ICON Clinical Research, LLC, dated as of May 5, 2022				X
10.15	Consent to Sublease, by and between Cortexyme, Inc. and ICON Clinical Research, LLC, dated as of June 8, 2022				X
10.16+	Separation Agreement, by and between Cortexyme, Inc. and Leslie Holsinger, dated as of July 31, 2022				X
10.17+	Amended and Restated Outside Director Compensation Policy				X
10.18*	License Agreement dated June 3, 2020, by and between Purdue Research Foundation and Novosteo Inc.				X
10.19*	Amendment No. 1 to License Agreement dated March 21, 2022 by and between Purdue Research Foundation and Novosteo Inc.				X
31.1	Certification of Principal Executive pursuant to Rules 13a-14(a) and Rule 15d-14(a) of the Exchange Act				X
31.2	Certification of Principal Executive pursuant to Rules 13a-14(a) and Rule 15d-14(a) of the Exchange Act				X

32.1#	<u>Certification of Principal Executive pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>	X
32.2#	<u>Certification of Principal Executive pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>	X
101.INS	Inline XBRL Instance Document	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File, formatted in Inline XBRL (included in Exhibit 101)	

+ Management contract or compensatory plan or arrangement.

* Portions of this exhibit have been redacted pursuant to Item 601(b)(10) of Regulation S-K as the Registrant has determined that (i) the omitted information is not material and (ii) the omitted material is of the type that the Registrant treats as private or confidential. Registrant agrees to furnish supplementally an unedited copy of the exhibit to the SEC upon request.

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

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.

Quince Therapeutics, Inc.

Date: August 9, 2022

By: /s/ Dirk Thye
Dirk Thye
Chief Executive Officer
(Principal Executive Officer)

Date: August 9, 2022

By: /s/ Ted Monohon
Ted Monohon
Chief Accounting Officer
(Principal Financial and Accounting Officer)

CORTEXYME, INC.

May 2, 2022

Michael Detke

VIA EMAIL (mdetke@cortexyme.com) Dear Mike:

This letter sets forth the substance of the separation agreement (the “**Agreement**”) that Cortexyme, Inc. (the “**Company**”) is offering to you to aid in your employment transition.

1. Separation. Your last day of work with the Company and your employment termination date will be May 2, 2022 (the “**Separation Date**”). Between now and the Separation Date, you must continue to abide by your continued contractual and statutory obligations to the Company and the Company’s policies.

2. Final Pay. On or shortly after the Separation Date, the Company will pay you all accrued salary and all accrued and unused paid time off (PTO) earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to this payment regardless of whether or not you sign this Agreement.

3. Severance Payment. If you timely sign and return this fully signed Agreement to the Company, allow it to become effective, and comply with your obligations under it (collectively, the “**Severance Preconditions**”), then the Company will deem your employment termination to be a termination without Cause outside of the Change in Control Period pursuant to that certain Executive Change in Control and Severance Agreement between you and the Company, dated May 21, 2020 (the “**Severance Agreement**”), and accordingly, the Company will pay you, as severance, the equivalent of nine (9) months of your base salary in effect as of the Separation Date (in the total amount of \$354,750), subject to standard payroll deductions and withholdings. This amount will be paid in a lump sum on the first regular payroll payday that occurs at least one week after the Effective Date (as defined below). You hereby request and authorize the Company to pay you this severance payment by direct deposit to the account specified by you during your employment.

4. Health Insurance. Your participation in the Company’s group health insurance plan will end on the last day of the month in which the Separation Date occurs. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company’s current group health insurance policies, you may be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company’s health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA and a form for electing COBRA coverage. As an additional severance benefit, subject to satisfaction of the Severance Preconditions, and provided that you timely elect continued coverage under COBRA, then the Company will pay directly the COBRA premiums required to continue your health insurance

coverage (including coverage for eligible dependents, if applicable) through the period starting on the Separation Date and ending on the earliest to occur of: (a) nine (9) months after the Separation Date; (b) the date you become eligible for group health insurance coverage through a new employer; or (c) the date you cease to be eligible for COBRA coverage for any reason (the “**COBRA Premiums**”). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without a substantial risk of violating applicable law, then the Company instead

shall pay you a fully taxable cash payment equal to the remaining COBRA Premiums due under this Section, subject to applicable tax withholdings, which you may, but are not obligated to, use toward the cost of COBRA premiums.

5. Equity Awards. Under the terms of your stock option or other equity award agreement and the applicable plan documents, vesting of any potential stock options or other equity awards granted to you, if any (the “**Equity Awards**”) will cease as of the Separation Date. Your Equity Awards will continue to be governed by the terms and conditions of the applicable stock option or other equity award agreement, applicable plan documents, and other equity awards documents.

6. Eligibility for CIC Severance Benefits. You will be eligible for increased severance benefits (the “**CIC Severance Benefits**”) in the event that the Company experiences a Change in Control (as defined in the Severance Agreement) within three (3) months after May 2, 2022. Specifically, subject to satisfaction of the Severance Preconditions, in the event that the Company experiences a Change in Control after May 2, 2022 but on or before August 2, 2022, then:

(a) the Base Salary Severance set forth in Section 4 above will increase from nine (9) months to twelve (12) months of your base salary; (b) the potential COBRA Premiums set forth in Section 5(a) above will increase from nine (9) months to twelve (12) months; (c) the Company will pay you an additional cash severance payment in an amount equal to fifty percent (50%) of your target annual bonus opportunity for 2022; and (d) the Company will accelerate 100% of any outstanding Equity Awards that are subject to time-based vesting (the “**Vesting Acceleration**”) as of the effective date of the Change in Control. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Awards agreements and documents. Notwithstanding anything stated herein or elsewhere to the contrary, if the successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue any then outstanding Equity Awards at the time of a Change in Control, you shall receive the Vesting Acceleration as of immediately prior to and contingent upon the Change in Control. In the event that you become eligible for the CIC Severance Benefits after the severance benefits set forth in Section 4 and 5 herein have already been paid to you, then the Company will pay you the difference between the CIC Severance Benefits and the severance benefits previously paid to you, within fifteen (15) business days after the effective date of the Change in Control. For the avoidance of doubt, under no circumstances will you be eligible for the full severance benefits set forth in Sections 4 and 5 and the CIC Severance Benefits.

7. No Other Compensation or Benefits. You acknowledge and agree that the benefits offered to you herein fulfill and exceed all of the Company’s obligations to pay you any severance benefits in connection with your employment termination, pursuant to your Severance Agreement and any other agreement, plan or policy. By executing this Agreement, you further agree and acknowledge that the Company’s obligations to provide you any and all severance benefits, other than as set forth in this Agreement, are hereby extinguished. You further acknowledge that, except

as expressly provided in this Agreement, you have not earned, will not earn by the Separation Date, and will not receive from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits before or after the Separation Date, with the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account) or any vested stock options.

8. Expense Reimbursements. You agree that, within ten (10) calendar days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

9. Return of Company Property. Within five (5) calendar days after the Separation Date (or

earlier if requested by the Company), you will return to the Company all Company documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, password and account information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, your Company-provided laptop, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within five (5) calendar days after the Separation Date (or earlier if requested by the Company), you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. **Your timely compliance with this paragraph is a condition to your receipt of the severance benefits provided under this Agreement.**

10. Proprietary Information Obligations. You acknowledge and reaffirm your continuing obligations under your Confidential Information and Invention Assignment Agreement, a copy of which is attached hereto as *Exhibit A*.

11. Confidentiality. The provisions of this Agreement will be held in strictest confidence by you and will not be publicized or disclosed by you in any manner whatsoever; *provided, however*, that: (a) you may disclose this Agreement in confidence to your immediate family and to your attorneys, accountants, tax preparers and financial advisors; (b) you may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law; and (c) you may make statements and disclosures as permitted under the section of this Agreement entitled "Protected Rights." In particular, and without limitation, you agree not to disclose the terms of this Agreement to any current or former Company employee or independent contractor.

12. Non-disparagement. You agree not to disparage the Company, its officers, directors, employees, shareholders, parents, subsidiaries, affiliates, and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation; provided that you may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain you in any manner from making disclosures protected under the whistleblower provisions of federal or state law or regulation or other applicable law or regulation, nor from making statements and disclosures as set forth in the section of this Agreement entitled "Protected Rights."

13. No Voluntary Adverse Action. You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the Protected Rights section below) assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents.

14. Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period

of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs.

15. No Admissions. You understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or to any other person, and that the Company makes no such admission.

16. Release of Claims. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement. This general release includes, but is not limited to: (a) all claims arising from or in any way related to your employment with the Company or the termination of that employment; (b) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the

federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (the "ADEA"), the Indiana Civil Rights Law, as amended, the Indiana Age Bias Law, the Indiana Employment Discrimination Against Disabled Persons Law, the Indiana Equal Pay Law (equal pay provision of the Indiana Minimum Wage Law of 1965, as amended), as amended, the Indiana False Claims and Whistleblower Protection Act, the Indiana Wage Payment and Wage Claims Act, the Indiana Military Family Leave Act, the Indiana Blacklisting Statute, and the Indiana Off Duty Use of Tobacco by Employees Law. Notwithstanding the foregoing, you are not releasing the Company hereby from: (i) any obligation to indemnify you pursuant to the Articles and Bylaws of the Company, any valid fully executed indemnification agreement with the Company, or applicable law; (ii) any rights you have to file or pursue a claim for workers' compensation or unemployment insurance; (iii) any claims that cannot be waived by law; or (iv) any claims for breach of this Agreement. **You acknowledge that you have been advised that you have a right to consult an attorney regarding this Agreement and that you were given a reasonable time period of not less than five (5) business days in which to do so.** You further acknowledge and agree that, in the event you sign this Agreement prior to the end of the reasonable time period, your decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing different terms to employees who sign such an agreement prior to the expiration of the time period.

17. ADEA Release. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you have under the ADEA, and that the consideration given for the waiver and releases you have given in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (a) your waiver and release does not apply to any rights or claims arising after the date you sign this Agreement;

(b) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (c) you have forty-five (45) days to consider this Agreement (although you may choose voluntarily to sign it sooner, but you should not sign it before the Separation Date); (d) you have seven (7) days following the date you sign this Agreement to revoke this Agreement (in a written revocation sent to Caryn McDowell at the Company); and (e) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the “Effective Date”). **You also hereby further acknowledge that the Company has provided you with the ADEA disclosure information (under 29 U.S.C. § 626(f)(1)(H)), attached hereto as Exhibit B.**

18. Section 1542 Waiver. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of claims herein, including but not limited to your release of unknown claims.

19. Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“Government Agencies”). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

20. Representations. You hereby represent that you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act or otherwise; and not suffered any on-the- job injury for which you have not already filed a workers’ compensation claim.

21. Miscellaneous. This Agreement, including its exhibits, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to its subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to

be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the state in which you primarily performed work for the Company without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

If this Agreement is acceptable to you, please sign below and return the original to me. **You have forty-five (45) calendar days from the date you received this Agreement to decide whether to accept this Agreement, and you should not sign it before the Separation Date.** The Company's offer contained herein will automatically expire if you do not sign and return it within that timeframe.

We wish you the best in your future endeavors. Sincerely,



By:

Chris Lowe
Interim CEO, COO & CFO

I HAVE READ, UNDERSTAND AND AGREE FULLY TO THE FOREGOING AGREEMENT:

Michael Detke
Michael Detke

02-MAY-2022

Date

EXHIBIT A

**CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT
CORTEXYME, INC.**

**CONFIDENTIAL INFORMATION AND INVENTION
ASSIGNMENT AGREEMENT**

Employee Name: Michael Detke

Effective Date: 16-DEC-2018

As a condition of my becoming employed (or my employment being continued) by Cortexyme, Inc., a Delaware corporation, or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following:

1. **Relationship.** This Confidential Information and Invention Assignment Agreement (this "Agreement") will apply to my employment relationship with the Company. If that relationship ends and the Company, within a year thereafter, either reemploys me or engages me as a consultant, I agree that this Agreement will also apply to such later employment or consulting relationship, unless the Company and I otherwise agree in writing. Any such employment or consulting relationship between the parties hereto, whether commenced prior to, upon or after the date of this Agreement, is referred to herein as the "Relationship."

2. **Duties.** I will perform for the Company such duties as may be designated by the Company from time to time or that are otherwise within the scope of the Relationship and not contrary to instructions from the Company. During the Relationship, I will devote my entire best business efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company without the prior written consent of the Company.

3. **Confidential Information.**

(a) **Protection of Information.** I understand that during the Relationship, the Company intends to provide me with information, including Confidential Information (as defined below), without which I would not be able to perform my duties to the Company. I agree, at all times during the term of the Relationship and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, and not to disclose to any person, firm, corporation or other entity, without written authorization from the Company in each instance, any Confidential Information that I obtain, access or create during the term of the Relationship, whether or not during working hours, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved. I further agree not to make copies of such Confidential Information except as authorized by the Company.

(b) **Confidential Information.** I understand that "Confidential Information" means information and physical material not generally known or available outside the Company and information and physical material entrusted to the Company in confidence by third parties. Confidential Information includes, without limitation: (i) Company Inventions (as defined below); and (ii) technical data, trade secrets, know-how, research, product or service ideas or plans, software codes and designs, algorithms, developments, inventions, patent applications, laboratory notebooks, processes, formulas, techniques, biological materials, mask works, engineering designs and drawings, hardware configuration information, agreements with third parties, lists of, or information relating to, employees and consultants of the Company (including, but not limited to, the names, contact information, jobs, compensation, and expertise of such employees and consultants), lists of, or information relating to, suppliers and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information disclosed to me by the Company either directly or indirectly, whether in writing, electronically, orally, or by observation.

(c) **Third Party Information.** My agreements in this Section 3 are intended to be for the benefit of the Company and any third party that has entrusted information or physical material to the Company in confidence. I further agree that, during the term of the Relationship and thereafter, I will not improperly use or disclose to the Company any confidential, proprietary or secret information of my former employer(s) or any other person, and I agree not to bring any such information onto the Company's property or place of business.

(d) **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

4. **Ownership of Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a complete list describing with particularity all Inventions (as defined below) that, as of the Effective Date: (i) I made, and/or (ii) belong solely to me or belong to me jointly with others or in which I have an interest, and that relate in any way to any of the Company's actual or proposed businesses; products, services, or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Inventions at the time of signing this Agreement, and to the extent such Inventions do exist and are not listed on Exhibit A, I hereby forever waive any and all rights or claims of ownership to such Inventions. I understand that my listing of any Inventions on Exhibit A does not constitute an acknowledgement by the Company of the existence or extent of such Inventions, nor of my ownership of such Inventions. I further understand that I must receive the formal approval of the Company before commencing my Relationship with the Company.

Use or Incorporation of Inventions. If in the course of the Relationship, I use or incorporate into a product, service, process or machine any Invention not covered by Section 4(d) of this Agreement in which I have an interest, I will promptly so inform the Company in writing. Whether or not I give such notice, I hereby irrevocably grant to the Company a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with right to transfer and to sublicense, to practice and exploit such Invention and to make, have made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute such Invention under all applicable intellectual property laws without restriction of any kind.

(c) **Inventions.** I understand that "Inventions" means discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets and/or original works of authorship, whether or not patentable, copyrightable or otherwise legally protectable. I understand this includes, but is not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design or configuration of any kind, or any improvement thereon. I understand that "Company Inventions" means any and all Inventions that I may solely or jointly author, discover, develop, conceive, or reduce to practice during the period of the Relationship, except as otherwise provided in Section 4(g) below.

(d) **Assignment of Company Inventions.** I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title and interest throughout the world in and to any and all Company Inventions and all patent, copyright, trademark, trade secret and other intellectual property rights therein. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, that I now have or may hereafter have for infringement of any and all Company Inventions. I further acknowledge that all Company Inventions that are made by me (solely or jointly with others) within the scope of and during the period of the Relationship are "works made for hire" (to the greatest extent permitted by applicable law) and are compensated by my salary. Any assignment of Company Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively, "Moral Rights"). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

(e) **Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Company Inventions made or conceived by me (solely or jointly with others) during the term of the Relationship. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, or any other format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to deliver all such records (including any copies thereof) to the Company

at the time of termination of the Relationship as provided for in Section 5 and Section 6.

(f) **Patent and Copyright Rights.** I agree to assist the Company, or its designee, at its expense, in every proper way to secure the Company's, or its designee's, rights in the Company Inventions and any copyrights, patents, trademarks, mask work rights, Moral Rights, or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive and agree never to assert such rights, and in order to assign and convey to the Company or its designee, and any successors, assigns and nominees the sole and exclusive right, title and interest in and to such Company Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue during and at all times after the end of the Relationship and until the expiration of the last such intellectual property right to expire in any country of the world. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such instruments and papers and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright, mask work and other registrations related to such Company Inventions. This power of attorney is coupled with an interest and shall not be affected by my subsequent incapacity.

(g) **Exception to Assignments.** Subject to the requirements of applicable state law, if any, I understand that the Company Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention which qualifies fully for exclusion under the provisions of applicable state law, if any, attached hereto as Exhibit B. In order to assist in the determination of which inventions qualify for such exclusion, I will advise the Company promptly in writing, during and after the term of the Relationship, of all Inventions solely or jointly conceived or developed or reduced to practice by me during the period of the Relationship.

5. **Company Property; Returning Company Documents.** I acknowledge and agree that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, files, e-mail messages, and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored or reviewed at any time without notice. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I agree that, at the time of termination of the Relationship, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns.

6. **Termination Certification.** In the event of the termination of the Relationship, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit C; however, my failure to sign and deliver the Termination Certification shall in no way diminish my continuing obligations under this Agreement.

7. **Notice to Third Parties.** I agree that during the periods of time during which I am restricted in taking certain actions by the terms of this Agreement (the "Restriction Period"), I shall inform any entity or person with whom I may seek to enter into a business relationship (whether as an owner, employee, independent contractor or otherwise) of my contractual obligations under this Agreement. I also understand and agree that the Company may, with or without prior notice to me and during or after the term of the Relationship, notify third parties of my agreements and obligations under

this Agreement. I further agree that, upon written request by the Company, I will respond to the Company in writing regarding the status of my employment or proposed employment with any party during the Restriction Period.

8. **Solicitation of Employees, Consultants and Other Parties.** As described above, I acknowledge and agree that the Company's Confidential Information includes information relating to the Company's employees, consultants, customers and others, and that I will not use or disclose such Confidential Information except as authorized by the Company. I further agree as follows:

(a) **Employees, Consultants.** I agree that during the term of the Relationship, and for a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I shall not, directly or indirectly, solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

(b) **Other Parties.** I agree that during the term of the Relationship, I will not negatively influence any of the Company's clients, licensors, licensees or customers from purchasing Company products or services or solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. In addition, I acknowledge that the Company has valuable Trade Secrets (as defined by applicable law from time to time) to which I will have access during the term of the Relationship. I understand that the Company intends to vigorously pursue its rights under applicable Trade Secrets law if, during a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. Thereafter, the Company intends to vigorously pursue its rights under applicable Trade Secrets law as the circumstances warrant.

9. **At-Will Relationship.** I understand and acknowledge that, except as may be otherwise explicitly provided in a separate written agreement between the Company and me, my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability, other than those provisions of this Agreement that explicitly continue in effect after the termination of the Relationship.

10. **Representations and Covenants.**

(a) **Facilitation of Agreement.** I agree to execute promptly, both during and after the end of the Relationship, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company's written request to do so.

(b) **No Conflicts.** I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by me in confidence or in trust prior to or during the Relationship. I will not disclose to the Company or use any inventions, confidential or non public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party. I acknowledge and agree that I have listed on Exhibit A all agreements (*e.g.*, non competition agreements, non-solicitation of customers agreements, non-solicitation of employees agreements, confidentiality agreements, inventions agreements, etc.), if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the

Company or any obligation I may have to the Company. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

(c) **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement, that I understand and have voluntarily accepted such provisions, and that I will fully and faithfully comply with such provisions.

11. **Electronic Delivery.** Nothing herein is intended to imply a right to participate in any of the Company's equity incentive plans, however, if I do participate in such plan(s), the Company may, in its sole discretion, decide to deliver any documents related to my participation in the Company's equity incentive plan(s) by electronic means or to request my consent to participate in such plan(s) by electronic means. I hereby consent to receive such documents by electronic delivery and agree, if applicable, to participate in such plan(s) through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

12. **Miscellaneous.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of California, without giving effect to the principles of conflict of laws.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and me relating to its subject matter and merges all prior discussions between us. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have

waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even if I am an officer of the Company, I will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the Board of Directors. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

(d) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(e) **Severability.** If one or more of the provisions in this Agreement are deemed void or unenforceable to any extent in any context, such provisions shall nevertheless be enforced to the fullest extent allowed by law in that and other contexts, and the validity and force of the remainder of this Agreement shall not be affected. The Company and I have attempted to limit my right to use, maintain and disclose the Company's Confidential Information, and to limit my right to solicit employees and customers only to the extent necessary to protect the Company from unfair competition. Should a court of competent jurisdiction determine that the scope of the covenants contained in Section 8 exceeds the maximum restrictiveness such court deems reasonable and enforceable, the parties intend that the court should reform, modify and enforce the provision to such narrower scope as it determines to be reasonable and enforceable under the circumstances existing at that time.

(f) **Remedies.** I acknowledge and agree that violation of this Agreement by me may cause the Company irreparable harm, and therefore I agree that the Company will be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, I agree that a \$1,000 bond will be adequate), in addition to and without prejudice to any other rights or remedies that the Company may have for a breach of this Agreement.

(g) **Advice of Counsel.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page Follows]

The parties have executed this Agreement on the respective dates set forth below, to be effective as of the Effective Date first above written.

THE COMPANY:

CORTEXIME, INC. 

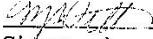
Casey Lynch
President and Chief Executive Officer

Address:
269 East Grand Ave.
South San Francisco, CA 94080
United States

Date: 12/17/2018

EMPLOYEE:

Michael Detke
(PRINT NAME)


Signature)

Address:
5018 St. Charles Pl
Carmel, IN 46033

Email: mjdetke@gmail.com

Date: 12/12/2018

EXHIBIT A

**LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP**

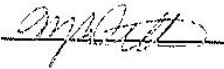
**EXCLUDED UNDER SECTION 4(a) AND CONFLICTING AGREEMENTS DISCLOSED UNDER
SECTION 10(b)**

The following is a list of (i) all Inventions that, as of the Effective Date: (A) I made, and/or (B) belong solely to me or belong to me jointly with others or in which I have an interest, and that relate in any way to any of the Company's actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company and (ii) all agreements, if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company:

Title	Date	Identifying Number or Brief Description
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Except as indicated above on this exhibit, I have no inventions, improvements or original works to disclose pursuant to Section 4(a) of this Agreement and no agreements to disclose pursuant to Section 10(b) of this Agreement.

Additional sheets attached

Signature of Employee: 

Print Name of Employee: Michael Detke

Date: 12/12/2018

EXHIBIT B

Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

EXHIBIT C TERMINATION

CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to Cortexyme, Inc., a Delaware corporation, its subsidiaries, affiliates, successors or assigns (collectively, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any Inventions (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement, and I acknowledge my continuing obligations under that agreement.

I further agree that, in compliance with the Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twelve (12) months from the date of this Certification, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

Further, I agree that I shall not use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Further, I acknowledge that the Company has valuable Trade Secrets (as defined by applicable law from time to time) to which I have had access. I understand that the Company intends to vigorously pursue its rights under applicable Trade Secrets law if, during a period of twelve (12) months from the date of this Certification, I solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. Thereafter, the Company intends to vigorously pursue its rights under applicable Trade Secrets law as the circumstances warrant.

Date: _____

EMPLOYEE:

(Print Employee's Name)

(Signature)

Brendan Hannah
Via Electronic Delivery

Re: Offer of Employment with Cortexyme

Dear Brendan:

As you are aware, Novosteo Inc. (the "Company"), is pleased to offer you continued employment with the Company on the terms described below (the "Agreement"). As you are aware, Cortexyme, Inc. ("Cortexyme") is acquiring the Company (the "Transaction"), pursuant to an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") by and among Cortexyme, the Company, and certain other parties. The effective date of this Agreement (the "Effective Date") will be the date of the Closing (as defined in the Merger Agreement). If the Closing does not occur, this Agreement will have no effect, will not be binding on Novosteo, Cortexyme or any of their affiliates or on you, and neither you nor Novosteo, nor Cortexyme, nor any of their affiliates shall have any rights or obligations hereunder.

Information regarding the Transaction is not publicly available and should be treated as strictly confidential, and we stress the importance of you holding this information in the strictest confidence.

1. Position. As of the Effective Date, you will initially be employed as the Chief Business Officer ("CBO") and you will initially report to the Company's Chief Executive Officer ("CEO"). As an exempt salaried employee, you may be expected to work additional hours beyond the Company's normal business hours, and you will not be eligible for overtime compensation.

2. Location. You will initially work from your home office in San Diego, California. The Company reserves the right to reasonably require you to perform duties at places other than your primary office location from time to time, and to require reasonable business travel as needed to fulfill the duties of your role.

3. Compensation. For services to be rendered hereunder, you shall receive a base salary at the rate of \$425,000.00 per year (the "Base Salary"), subject to standard payroll deductions and withholdings and payable in accordance with the Company's regular payroll schedule. Your Base Salary will be increased in the discretion of the Board of Directors (the "Board") from time to time.

4. Stock Option Grant. As a material inducement to your acceptance of this offer of employment with Cortexyme and the Company in connection with the Transaction, subject to approval by Cortexyme's Board, you shall be granted an option to purchase such number of shares of common stock of Cortexyme (the "Common Stock") at an exercise price per share equal to the fair market value of the Common Stock on the date of grant as determined in the sole discretion of the Board (the "Option"), such that when added to your other holding in Cortexyme (based on your pre-Closing equity holdings in the Company) you own 1.2% percent of the fully-diluted capitalization of Cortexyme immediately following the Closing.

The Option shall be subject to a vesting schedule whereby one-quarter (1/4) of the shares subject to the Option shall vest one year after grant, with the remaining shares vesting in equal monthly installments over the following three years thereafter, in each case, subject to your continuous

service with the Company. With respect to your existing options (“Existing Options”), Cortexyme will amend such

Existing Options to provide for vesting over four (4) years in 48 equal monthly installments, retroactive to their original dates of grant and all other terms shall continue to apply thereto (e.g., with respect to the double trigger accelerated vesting in the Existing Options, the change of control trigger will be treated as having occurred). Cortexyme understands that you would not accept this offer of employment but for the granting of this inducement Option award. The Option shall be granted pursuant to and be governed in all respects by the terms and conditions of Cortexyme’s 2022 Inducement Plan, approved by the Board pursuant to the “inducement grant exception” provided under Nasdaq Market Place Rule 5635(c)(4) and Nasdaq IM-5635-1, and the standard form of option agreement thereunder.

5. Annual Cash Bonus. You will be eligible for an annual discretionary cash bonus of up to forty percent (40%) of your Base Salary (the “Annual Bonus”), to be prorated as of the date of hire. Whether you receive an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined by the Board (or the Compensation Committee of the Board) in its sole discretion based upon the Company’s and your achievement of objectives and milestones to be determined on an annual basis. Any Annual Bonus that is awarded will be paid within the first ninety (90) days of the calendar year following the applicable bonus year. You must be employed on the day that your bonus (if any) is paid in order to earn the bonus. You will not be eligible for, and will not earn, any Annual Bonus (including a prorated bonus) if your employment terminates for any reason before the payment date.

6. Employee Benefits. You will be eligible to participate in the applicable standard benefits plans offered to similarly situated employees by the Company and its affiliates from time to time, subject to plan terms and applicable policies of the Company and its affiliates. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. The Company reserves the right to change, alter, or terminate any benefit plan or incentive compensation plan or program in its sole discretion.

7. Severance Agreement. As an additional benefit, you will be eligible for severance benefits under the terms and conditions of an Executive Change in Control and Severance Agreement presented to you by the Company (the “Severance Agreement”), attached hereto as **Attachment A** conditioned upon your and the Company’s execution of the Severance Agreement.

8. Employee Confidential Information and Invention Assignment Agreement. As a condition of your employment, you must sign and comply with the attached Employee Confidential Information and Invention Assignment Agreement (the “Confidentiality Agreement”), attached hereto as **Attachment B**, which prohibits unauthorized use or disclosure of the Company’s proprietary information, among other obligations.

9. Company Policies. The relationship between the parties shall be subject to the Company’s personnel policies and procedures as they may be adopted, revised or deleted from time to time in the Company’s sole discretion and you agree to abide by such policies and procedures. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company’s general employment policies or practices, this Agreement shall control.

10. Third Party Agreements and Information. You represent and warrant that your employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that you will perform your duties to the

Company without violating any such agreement. You represent and warrant that, other than with respect to Novosteo information, you do not possess confidential information arising out of prior employment, consulting, or other third-party relationships, that would be used in connection with your employment by the Company, except as expressly authorized by that third party. During your employment by the Company, you will use in the performance of your duties only information which is generally known and used by persons with training and experience

comparable to your own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by you in the course of your work for the Company or Novosteo.

11. Employment Relationship. Employment with the Company will be for no specific period of time. Your employment with the Company will be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause or advance notice. Any contrary representations which may have been made to you are superseded by this Agreement. The “at will” nature of your employment may only be changed in an express written agreement signed by you and the Company’s CEO.

12. Dispute Resolution. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, and in exchange for the mutual promises contained in this Agreement, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS or its successor, under JAMS’ then applicable rules and procedures appropriate to the relief being sought (available upon request and also currently available at the following web addresses: (i) <https://www.jamsadr.com/rules-employment-arbitration/> and (ii) <https://www.jamsadr.com/rules-comprehensive-arbitration/>). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** In addition, all claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended, the California Fair Employment and Housing Act, as amended, and the California Labor Code, as amended, or alleging sexual harassment or a nonconsensual sexual act or sexual contact, to the extent such claims are not permitted by applicable law(s) to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the “Excluded Claims”). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while

any other claims will remain subject to mandatory arbitration. You will have the right to be represented, at your own expense, by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration under this agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS arbitration fees in excess of the administrative fees that you would be required to pay if the dispute were decided in a court of law. You will also be entitled to recover your legal fees and expenses if you are the prevailing party in any proceeding against the Company. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the

conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

13. Outside Activities During Employment.

a. **Non-Company Business.** Except with the prior written consent of the Board, you will not during the term of your employment with the Company undertake or engage in any other employment, occupation or business enterprise, other than ones in which you are a passive investor; provided that the Company will not unreasonably refuse to permit you to serve on the board of directors or board of managers of one other businesses so long as they do not materially interfere with your duties hereunder. In any event, you may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of your duties hereunder.

b. **No Adverse Interests.** You agree not to acquire, assume or participate in, directly or indirectly, any position, investment or interest known to be adverse or antagonistic to the Company, its business or prospects, financial or otherwise.

14. Miscellaneous.

a. **Employment Contingencies.** Your employment is contingent upon a satisfactory reference check and satisfactory proof of your right to work in the United States. If the Company informs you that you are required to complete a background check, your offer or continuation of employment is contingent upon satisfactory clearance of such background check. You agree to assist as needed and to complete any documentation at the Company's request to meet these conditions.

b. **Notices.** Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

c. **Severability**. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the parties.

d. **Waiver**. Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

e. **Complete Agreement**. This Agreement, together with the Confidentiality Agreement (and Severance Agreement, if executed by the Company and you), constitutes the entire agreement between you and the Company with regard to this subject matter and is the complete, final, and exclusive embodiment of the agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in a writing signed by a duly authorized officer of the Company.

4

f. **Counterparts**. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

g. **Headings**. The headings of the paragraphs hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

h. **Successors and Assigns**. This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and their respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

i. **Tax Withholding and Indemnification**. All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. You acknowledge and agree that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. You have had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to the Agreement.

j. **Choice of Law**. All questions concerning the construction, validity and

interpretation of this Agreement will be governed by the laws of the State of California.

If you wish to accept this offer of at-will employment, please sign and date both the enclosed duplicate original of this Agreement and the enclosed Confidentiality Agreement, and return them to me. We look forward to your joining a part of our team.

[Signature Page Follows]

5

Very truly yours,

CORTEXYME, INC.

Christopher Lowe

By: _____

Name: Christopher Lowe

Title: Interim Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, Director

ACCEPTED AND AGREED:

BRENDAN HANNAH

DocuSigned by:

Brendan Hannah

B37862FA525447A...

Date: May 8, 2022

ATTACHMENT A

SEVERANCE AGREEMENT

ATTACHMENT B

EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

Karen Smith
Via Electronic Delivery

Re: Offer of Employment with Cortexyme

Dear Karen:

As you are aware, Novosteo Inc. (the "Company"), is pleased to offer you continued employment with the Company on the terms described below (the "Agreement"). As you are aware, Cortexyme, Inc. ("Cortexyme") is acquiring the Company (the "Transaction"), pursuant to an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") by and among Cortexyme, the Company, and certain other parties. The effective date of this Agreement (the "Effective Date") will be the date of the Closing (as defined in the Merger Agreement). If the Closing does not occur, this Agreement will have no effect, will not be binding on Novosteo, Cortexyme or any of their affiliates or on you, and neither you nor Novosteo, nor Cortexyme, nor any of their affiliates shall have any rights or obligations hereunder.

Information regarding the Transaction is not publicly available and should be treated as strictly confidential, and we stress the importance of you holding this information in the strictest confidence.

1. Position. As of the Effective Date, you will initially be employed as the Chief Medical Officer ("CMO") and you will initially report to the Company's Chief Executive Officer ("CEO"). As an exempt salaried employee, you may be expected to work additional hours beyond the Company's normal business hours, and you will not be eligible for overtime compensation.

2. Location. You will initially work from your home office in Snowmass Village, Colorado. The Company reserves the right to reasonably require you to perform duties at places other than your primary office location from time to time, and to require reasonable business travel as needed to fulfill the duties of your role.

3. Compensation. For services to be rendered hereunder, you shall receive a base salary at the rate of \$475,000.00 per year (the "Base Salary"), subject to standard payroll deductions and withholdings and payable in accordance with the Company's regular payroll schedule. Your Base Salary will be increased in the discretion of the Board of Directors (the "Board") from time to time.

4. Stock Option Grant. As a material inducement to your acceptance of this offer of employment with Cortexyme and the Company in connection with the Transaction, subject to approval by Cortexyme's Board, you shall be granted an option to purchase such number of shares of common stock of Cortexyme (the "Common Stock") at an exercise price per share equal to the fair market value of the Common Stock on the date of grant as determined in the sole discretion of the Board (the "Option"), such that when added to your other holding in Cortexyme (based on your pre-Closing equity holdings in the Company) you own 3.5% percent of the fully-diluted capitalization of Cortexyme immediately following the Closing.

The Option shall be subject to a vesting schedule whereby one-quarter (1/4) of the shares subject to the Option shall vest one year after grant, with the remaining shares vesting in equal monthly installments over the following three years thereafter, in each case, subject to your continuous

service with the Company. With respect to your existing options (“Existing Options”), Cortexyme will amend such

Existing Options to provide for vesting over four (4) years in 48 equal monthly installments, retroactive to their original dates of grant and all other terms shall continue to apply thereto (e.g., with respect to the double trigger accelerated vesting in the Existing Options, the change of control trigger will be treated as having occurred). Cortexyme understands that you would not accept this offer of employment but for the granting of this inducement Option award. The Option shall be granted pursuant to and be governed in all respects by the terms and conditions of Cortexyme’s 2022 Inducement Plan, approved by the Board pursuant to the “inducement grant exception” provided under Nasdaq Market Place Rule 5635(c)(4) and Nasdaq IM-5635-1, and the standard form of option agreement thereunder.

5. **Annual Cash Bonus.** You will be eligible for an annual discretionary cash bonus of up to forty percent (40%) of your Base Salary (the “Annual Bonus”), to be prorated as of the date of hire. Whether you receive an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined by the Board (or the Compensation Committee of the Board) in its sole discretion based upon the Company’s and your achievement of objectives and milestones to be determined on an annual basis. Any Annual Bonus that is awarded will be paid within the first ninety (90) days of the calendar year following the applicable bonus year. You must be employed on the day that your bonus (if any) is paid in order to earn the bonus. You will not be eligible for, and will not earn, any Annual Bonus (including a prorated bonus) if your employment terminates for any reason before the payment date.

6. **Employee Benefits.** You will be eligible to participate in the applicable standard benefits plans offered to similarly situated employees by the Company and its affiliates from time to time, subject to plan terms and applicable policies of the Company and its affiliates. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. The Company reserves the right to change, alter, or terminate any benefit plan or incentive compensation plan or program in its sole discretion.

7. **Severance Agreement.** As an additional benefit, you will be eligible for severance benefits under the terms and conditions of an Executive Change in Control and Severance Agreement presented to you by the Company (the “Severance Agreement”), attached hereto as **Attachment A** conditioned upon your and the Company’s execution of the Severance Agreement.

8. **Employee Confidential Information and Invention Assignment Agreement.** As a condition of your employment, you must sign and comply with the attached Employee Confidential Information and Invention Assignment Agreement (the “Confidentiality Agreement”), attached hereto as **Attachment B**, which prohibits unauthorized use or disclosure of the Company’s proprietary information, among other obligations.

9. **Company Policies.** The relationship between the parties shall be subject to the Company’s personnel policies and procedures as they may be adopted, revised or deleted from time to time in the Company’s sole discretion and you agree to abide by such policies and procedures. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company’s general employment policies or practices, this Agreement shall control.

10. **Third Party Agreements and Information.** You represent and warrant that your employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that you will perform your duties to the Company

without violating any such agreement. You represent and warrant that, other than with respect to Novosteo information, you do not possess confidential information arising out of prior employment, consulting, or other third-party relationships, that would be used in connection with your employment by the Company, except as expressly authorized by that third party. During your employment by the Company, you will use in the performance of your duties only information which is generally known and used by persons with training and experience

comparable to your own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by you in the course of your work for the Company or Novosteo.

11. Employment Relationship. Employment with the Company will be for no specific period of time. Your employment with the Company will be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause or advance notice. Any contrary representations which may have been made to you are superseded by this Agreement. The “at will” nature of your employment may only be changed in an express written agreement signed by you and the Company’s CEO.

12. Dispute Resolution. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, and in exchange for the mutual promises contained in this Agreement, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS or its successor, under JAMS’ then applicable rules and procedures appropriate to the relief being sought (available upon request and also currently available at the following web addresses: (i) <https://www.jamsadr.com/rules-employment-arbitration/> and (ii) <https://www.jamsadr.com/rules-comprehensive-arbitration/>). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** In addition, all claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, claims alleging sexual harassment or a nonconsensual sexual act or sexual contact, to the extent such claims are not permitted by applicable law(s) to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the “Excluded Claims”). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration. You will have the right to be represented, at your own expense, by legal counsel at any arbitration proceeding. Questions of

whether a claim is subject to arbitration under this agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. You and the Company shall equally share all JAMS' arbitration fees, or such fees shall be paid in such other manner to the extent required by, and in accordance with, applicable law to effectuate your and the Company's agreement to arbitrate. Each party is responsible for its own attorneys' fees, except as expressly set forth in your Employee Confidential Information and Inventions Assignment Agreement. To the extent JAMS does not collect or you otherwise do not pay to JAMS an equal share of all JAMS' arbitration fees for any reason, and the Company pays JAMS your share, you acknowledge and agree that the Company shall be entitled to recover from you half of the JAMS arbitration fees invoiced to the parties (less any amounts you paid to JAMS) in a federal or

3

state court of competent jurisdiction. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

13. Outside Activities During Employment.

a. **No Adverse Interests.** You agree not to acquire, assume or participate in, directly or indirectly, any position, investment or interest known to be adverse or antagonistic to the Company, its business or prospects, financial or otherwise.

14. Miscellaneous.

a. **Employment Contingencies.** Your employment is contingent upon a satisfactory reference check and satisfactory proof of your right to work in the United States. If the Company informs you that you are required to complete a background check, your offer or continuation of employment is contingent upon satisfactory clearance of such background check. You agree to assist as needed and to complete any documentation at the Company's request to meet these conditions.

b. **Notices.** Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

c. **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the parties.

d. **Waiver.** Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

e. **Complete Agreement.** This Agreement, together with the Confidentiality Agreement (and Severance Agreement, if executed by the Company and you), constitutes the entire agreement between you and the Company with regard to this subject matter and is the complete, final, and exclusive embodiment of the agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in a writing signed by a duly authorized officer of the Company.

f. **Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

g. **Headings.** The headings of the paragraphs hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

4

h. **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and their respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

i. **Tax Withholding and Indemnification.** All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. You acknowledge and agree that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. You have had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to the Agreement.

j. **Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of Colorado.

If you wish to accept this offer of at-will employment, please sign and date both the enclosed duplicate original of this Agreement and the enclosed Confidentiality Agreement, and return them to me. We look forward to your joining a part of our team.

[Signature Page Follows]

Very truly yours,

CORTEXYME, INC.

Christopher Lowe

By: _____
Name: Christopher Lowe

Title: Interim Chief Executive Officer, Chief Financial Officer and Chief
Operating Officer, Director

[SIGNATURE PAGE TO K. SMITH OFFER LETTER]

ACCEPTED AND AGREED:

KAREN SMITH

DocuSigned by:
karen Smith
20FE27FCE0FF442

Date: May 9, 2022

ATTACHMENT A

SEVERANCE AGREEMENT

ATTACHMENT B

EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

May 9, 2022

Exhibit 10.4

Dirk Thye, MD
Via Electronic Delivery

Re: Offer of Employment with Cortexyme

Dear Dirk:

As you are aware, Novosteo Inc. (the "Company"), is pleased to offer you continued employment with the Company on the terms described below (the "Agreement"). As you are aware, Cortexyme, Inc. ("Cortexyme") is acquiring the Company (the "Transaction"), pursuant to an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") by and among Cortexyme, the Company, and certain other parties. The effective date of this Agreement (the "Effective Date") will be the date of the Closing (as defined in the Merger Agreement). If the Closing does not occur, this Agreement will have no effect, will not be binding on Novosteo, Cortexyme or any of their affiliates or on you, and neither you nor Novosteo, nor Cortexyme, nor any of their affiliates shall have any rights or obligations hereunder.

Information regarding the Transaction is not publicly available and should be treated as strictly confidential, and we stress the importance of you holding this information in the strictest confidence.

1. Position. As of the Effective Date, you will initially be employed as the Chief Executive Officer ("CEO") and you will initially report to the Company's Board of Directors (the "Board"). As an exempt salaried employee, you may be expected to work additional hours beyond the Company's normal business hours, and you will not be eligible for overtime compensation. In addition, for so long as you are the CEO, the Company shall use good faith efforts to cause you to be nominated for election to the Board.

2. Location. You will initially work from your home office in San Francisco, California. The Company reserves the right to reasonably require you to perform duties at places other than your primary office location from time to time, and to require reasonable business travel as needed to fulfill the duties of your role.

3. Compensation. For services to be rendered hereunder, you shall receive a base salary at the rate of \$550,000.00 per year (the "Base Salary"), subject to standard payroll deductions and withholdings and payable in accordance with the Company's regular payroll schedule. Your Base Salary will be increased in the discretion of the Board from time to time.

4. Stock Option Grant. As a material inducement to your acceptance of this offer of employment with Cortexyme and the Company in connection with the Transaction, subject to approval by Cortexyme's Board of Directors (the "Board"), you shall be granted an option to purchase such number of shares of common stock of Cortexyme (the "Common Stock") at an exercise price per share equal to the fair market value of the Common Stock on the date of grant as determined in the sole discretion of the Board (the "Option"), such that when added to your other holding in Cortexyme (based on your pre- Closing equity holdings in the Company) you own five (5%) percent of the fully-diluted capitalization of Cortexyme immediately following the Closing.

The Option shall be subject to a vesting schedule whereby one-quarter (1/4) of the shares subject

to the Option shall vest one year after grant, with the remaining shares vesting in equal monthly installments over the following three years thereafter, in each case, subject to your continuous service with the

Company. With respect to your existing options (“Existing Options”), Cortexyme will amend such Existing Options to provide for vesting over four (4) years in 48 equal monthly installments, retroactive to their original dates of grant and all other terms shall continue to apply thereto (e.g., with respect to the double trigger accelerated vesting in the Existing Options, the change of control trigger will be treated as having occurred). Cortexyme understands that you would not accept this offer of employment but for the granting of this inducement Option award. The Option shall be granted pursuant to and be governed in all respects by the terms and conditions of Cortexyme’s 2022 Inducement Plan, approved by the Board pursuant to the “inducement grant exception” provided under Nasdaq Market Place Rule 5635(c)(4) and Nasdaq IM-5635-1, and the standard form of option agreement thereunder.

5. **Annual Cash Bonus.** You will be eligible for an annual discretionary cash bonus of up to fifty percent (50%) of your Base Salary (the “Annual Bonus”), to be prorated as of the date of hire. Whether you receive an Annual Bonus for any given year, and the amount of any such Annual Bonus, will be determined by the Board (or the Compensation Committee of the Board) in its sole discretion based upon the Company’s and your achievement of objectives and milestones to be determined on an annual basis. Any Annual Bonus that is awarded will be paid within the first ninety (90) days of the calendar year following the applicable bonus year. You must be employed on the day that your bonus (if any) is paid in order to earn the bonus. You will not be eligible for, and will not earn, any Annual Bonus (including a prorated bonus) if your employment terminates for any reason before the payment date.

6. **Employee Benefits.** You will be eligible to participate in the applicable standard benefits plans offered to similarly situated employees by the Company and its affiliates from time to time, subject to plan terms and applicable policies of the Company and its affiliates. All matters of eligibility for coverage or benefits under any benefit plan shall be determined in accordance with the provisions of such plan. The Company reserves the right to change, alter, or terminate any benefit plan or incentive compensation plan or program in its sole discretion.

7. **Severance Agreement.** As an additional benefit, you will be eligible for severance benefits under the terms and conditions of an Executive Change in Control and Severance Agreement presented to you by the Company (the “Severance Agreement”), attached hereto as **Attachment A** conditioned upon your and the Company’s execution of the Severance Agreement.

8. **Employee Confidential Information and Invention Assignment Agreement.** As a condition of your employment, you must sign and comply with the attached Employee Confidential Information and Invention Assignment Agreement (the “Confidentiality Agreement”), attached hereto as **Attachment B**, which prohibits unauthorized use or disclosure of the Company’s proprietary information, among other obligations.

9. **Company Policies.** The relationship between the parties shall be subject to the Company’s personnel policies and procedures as they may be adopted, revised or deleted from time to time in the Company’s sole discretion and you agree to abide by such policies and procedures. Notwithstanding the foregoing, in the event that the terms of this Agreement differ from or are in conflict with the Company’s general employment policies or practices, this Agreement shall control.

10. **Third Party Agreements and Information.** You represent and warrant that your

employment by the Company does not conflict with any prior employment or consulting agreement or other agreement with any third party, and that you will perform your duties to the Company without violating any such agreement. You represent and warrant that, other than with respect to Novosteo information, you do not possess confidential information arising out of prior employment, consulting, or other third-party relationships, that would be used in connection with your employment by the Company, except as expressly authorized by that third party. During your employment by the Company, you will use in the performance of your duties only information which is generally known and used by persons with training and experience

comparable to your own, common knowledge in the industry, otherwise legally in the public domain, or obtained or developed by the Company or by you in the course of your work for the Company or Novosteo.

11. Employment Relationship. Employment with the Company will be for no specific period of time. Your employment with the Company will be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause or advance notice. Any contrary representations which may have been made to you are superseded by this Agreement. The “at will” nature of your employment may only be changed in an express written agreement signed by you and the Company’s Board.

12. Dispute Resolution. To ensure the rapid and economical resolution of disputes that may arise in connection with your employment with the Company, and in exchange for the mutual promises contained in this Agreement, you and the Company agree that any and all disputes, claims, or causes of action, in law or equity, including but not limited to statutory claims, arising from or relating to the enforcement, breach, performance, or interpretation of this Agreement, your employment with the Company, or the termination of your employment, shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration conducted by JAMS or its successor, under JAMS’ then applicable rules and procedures appropriate to the relief being sought (available upon request and also currently available at the following web addresses: (i) <https://www.jamsadr.com/rules-employment-arbitration/> and (ii) <https://www.jamsadr.com/rules-comprehensive-arbitration/>). **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive the right to resolve any such dispute through a trial by jury or judge or administrative proceeding.** In addition, all claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class or representative proceeding, nor joined or consolidated with the claims of any other person or entity. The arbitrator may not consolidate the claims of more than one person or entity, and may not preside over any form of representative or class proceeding. To the extent that the preceding sentences regarding class claims or proceedings are found to violate applicable law or are otherwise found unenforceable, any claim(s) alleged or brought on behalf of a class shall proceed in a court of law rather than by arbitration. This paragraph shall not apply to any action or claim that cannot be subject to mandatory arbitration as a matter of law, including, without limitation, claims brought pursuant to the California Private Attorneys General Act of 2004, as amended, the California Fair Employment and Housing Act, as amended, and the California Labor Code, as amended, or alleging sexual harassment or a nonconsensual sexual act or sexual contact, to the extent such claims are not permitted by applicable law(s) to be submitted to mandatory arbitration and the applicable law(s) are not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the “Excluded Claims”). In the event you intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration. You will have the right to be represented, at your own expense, by legal counsel at any arbitration

proceeding. Questions of whether a claim is subject to arbitration under this agreement shall be decided by the arbitrator. Likewise, procedural questions which grow out of the dispute and bear on the final disposition are also matters for the arbitrator. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS arbitration fees in excess of the administrative fees that you would be required to pay if the dispute were decided in a court of law. You will also be entitled to recover your legal fees and expenses if you are the prevailing party in any proceeding against the Company. Nothing in this Agreement is intended to prevent either you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the

conclusion of any such arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction.

13. Outside Activities During Employment.

a. **Non-Company Business.** Except with the prior written consent of the Board, you will not during the term of your employment with the Company undertake or engage in any other employment, occupation or business enterprise, other than ones in which you are a passive investor; provided that the Company will not unreasonably refuse to permit you to serve on the board of directors or board of managers of one other business so long as they do not materially interfere with your duties hereunder. In any event, you may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of your duties hereunder.

b. **No Adverse Interests.** You agree not to acquire, assume or participate in, directly or indirectly, any position, investment or interest known to be adverse or antagonistic to the Company, its business or prospects, financial or otherwise.

14. Miscellaneous.

a. **Employment Contingencies.** Your employment is contingent upon a satisfactory reference check and satisfactory proof of your right to work in the United States. If the Company informs you that you are required to complete a background check, your offer or continuation of employment is contingent upon satisfactory clearance of such background check. You agree to assist as needed and to complete any documentation at the Company's request to meet these conditions.

b. **Notices.** Any notices provided must be in writing and will be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the next day after sending by overnight carrier, to the Company at its primary office location and to you at the address as listed on the Company payroll.

c. **Severability.** Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction to the extent possible in keeping with the intent of the parties.

d. **Waiver.** Any waiver of any breach of any provisions of this Agreement must be in writing to be effective, and it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

e. **Complete Agreement.** This Agreement, together with the Confidentiality Agreement (and Severance Agreement, if executed by the Company and you), constitutes the entire agreement between you and the Company with regard to this subject matter and is the complete, final, and exclusive embodiment of the agreement with regard to this subject matter. This Agreement is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in a writing signed by a duly authorized officer of the Company.

f. **Counterparts.** This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

g. **Headings.** The headings of the paragraphs hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

h. **Successors and Assigns.** This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and their respective successors, assigns, heirs, executors and administrators, except that you may not assign any of your duties hereunder and may not assign any of your rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

i. **Tax Withholding and Indemnification.** All payments and awards contemplated or made pursuant to this Agreement will be subject to withholdings of applicable taxes in compliance with all relevant laws and regulations of all appropriate government authorities. You acknowledge and agree that the Company has neither made any assurances nor any guarantees concerning the tax treatment of any payments or awards contemplated by or made pursuant to this Agreement. You have had the opportunity to retain a tax and financial advisor and fully understands the tax and economic consequences of all payments and awards made pursuant to the Agreement.

j. **Choice of Law.** All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of California.

If you wish to accept this offer of at-will employment, please sign and date both the enclosed duplicate original of this Agreement and the enclosed Confidentiality Agreement, and return them to me. We look forward to your joining a part of our team.

[Signature Page Follows]

Very truly yours,

CORTEXYME, INC.

By: *Christopher Lowe* _____
Name: Christopher Lowe

Title: Interim Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, Director

ACCEPTED AND AGREED:

DIRK THYE, MD

DocuSigned by:

Dirk Thye

7017126764464AE...

Date: May 8, 2022

ATTACHMENT A

SEVERANCE AGREEMENT

ATTACHMENT B

EMPLOYEE CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

CORTEXIME, INC.

May 19, 2022

Caryn G. McDowell
VIA EMAIL (cmcdowell@cortexyme.com)

Dear Caryn:

This letter sets forth the substance of the transition separation agreement (the “**Agreement**”) that Cortexyme, Inc. (the “**Company**”) is offering to you to aid in your employment transition.

1. Separation. If you sign this Agreement and allow it to become effective, your employment will continue until July 8, 2022 or such earlier date your employment may be terminated pursuant to Section 2(c) below. (Your last day of employment, whenever it occurs, shall be the “**Separation Date.**”)

2. Transition Period.

(a) **Duties & Schedule.** Between now and the Separation Date (the “**Transition Period**”), you will remain an employee of the Company, will be expected to transition your duties and responsibilities to Company personnel and perform other duties and tasks as requested by the Company. During the Transition Period, you must continue to comply with all of the Company’s policies and procedures and with all of your statutory and contractual obligations to the Company (including, without limitation, your obligations under this Agreement and your Confidentiality Agreement, defined below). During the Transition Period, you agree to exercise the highest degree of professionalism and utilize your expertise and creative talents in performing your job duties.

(b) **Compensation/Benefits.** During the Transition Period, you will continue to be paid at the same base salary rate, and you will continue to be eligible for the Company’s standard benefits, subject to the terms and conditions applicable to such plans and programs. In addition, your Company stock options or other equity awards will continue to vest under the existing terms and conditions set forth in the governing plan documents and option agreement. You will not be able to participate in any bonus, commissions, or incentive program, and will only be eligible to receive the cash compensation expressly set forth herein.

(c) **Termination.** As part of this Agreement, the Company agrees that it will not terminate your employment other than for Cause (as defined herein) before July 8, 2022. If prior to July 8, 2022, the Company terminates your employment for Cause, or you resign your employment, then you will not be entitled to any further compensation or benefits (including, without limitation, the cash or COBRA severance benefits set forth below). If prior to July 8, 2022, your employment ends due to your death or disability, then you will remain eligible for the cash, COBRA severance benefits and accelerate vesting of your restricted stock award issued to you on March 3, 2022 set forth below, subject to the terms and conditions set forth herein.

For

purposes of this Agreement, “Cause” for termination will be any one or more of the following: (i) the indictment of or plea of

Page 2

guilty or no contest by you to any felony involving dishonesty; (ii) participation in any fraud against the Company; (iii) material breach of your contractual duties to the Company (including any material violation of any provision or obligation under this Agreement or the Confidentiality Agreement) after given the opportunity to cure the same; or (iv) your willful misconduct or other willful violation of Company policy that causes material harm to the Company.

3. Final Pay. On or shortly after the Separation Date, the Company will pay you all accrued salary and all accrued and unused paid time off (PTO) earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to this payment regardless of whether or not you sign this Agreement.

4. Severance Payment. If (i) you timely sign, date and return this fully executed Agreement to the Company, allow it to become effective, and comply with your obligations under it; (ii) your employment with the Company is not terminated for Cause or as a result of your resignation before July 8, 2022; and (iii) on or within twenty-one (21) days after the Separation Date, you execute and return to the Company the Separation Date Release attached hereto as *Exhibit A* (the “Release”), and allow the releases contained in the Release to become effective (collectively, the “Severance Preconditions”), then the Company will deem your employment termination to be a termination without Cause outside of the Change in Control Period pursuant to that certain Executive Change in Control and Severance Agreement between you and the Company, dated May 18, 2020 (the “Severance Agreement”), and accordingly, the Company will pay you, as severance, the equivalent of nine (9) months of your base salary in effect as of the Separation Date (in the total amount of \$339,000), subject to standard payroll deductions and withholdings (the “Base Salary Severance”). This amount will be paid in a lump sum within four (4) business days after the Release Effective Date (as defined in the Release). You hereby request and authorize the Company to pay you this severance payment by direct deposit to the account specified by you during your employment.

5. Health Insurance. Your participation in the Company’s group health insurance plan will end on the last day of the month in which the Separation Date occurs. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company’s current group health insurance policies, you may be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company’s health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA and a form for electing COBRA coverage. As an additional severance benefit, subject to satisfaction of the Severance Preconditions, and provided that you timely elect continued coverage under COBRA, then the Company will pay directly the COBRA premiums required to continue your health insurance coverage (including coverage for eligible dependents, if applicable) through the period starting on the Separation Date and ending on the earliest to occur of: (a) nine (9) months after the last day of the month in which the Separation Date occurs; (b) the date you become eligible for group health insurance coverage through a new employer; or (c) the date you cease to be eligible for COBRA coverage for any reason (the “COBRA Premiums”). Notwithstanding

the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without a substantial risk of violating applicable law, then the Company instead shall pay you a fully taxable cash payment equal to the remaining COBRA Premiums due under this Section, subject to applicable tax withholdings, which you may, but are not obligated to, use toward the cost of COBRA premiums.

Page 3

6. Equity Awards. Under the terms of your stock option, restricted stock award, and any other equity award agreement and the applicable plan documents, vesting of any potential stock options or other equity awards granted to you, if any (the “**Equity Awards**”) will cease as of the Separation Date. Subject to satisfaction of the Severance Conditions, the Company will:

(a) accelerate vesting of your restricted stock award issued to you on March 3, 2022 (the “**RSA**”) such that 100% of the shares subject to the RSA will be deemed vested and exercisable as of the Effective Date; and (b) the period of time within which you may exercise any vested Equity Awards will be extended until the date that is twelve (12) months after the Separation Date. Except as expressly set forth in this paragraph, your Equity Awards will continue to be governed by the terms and conditions of the applicable stock option or other equity award agreement, applicable plan documents, and other equity awards documents.

7. Eligibility for CIC Severance Benefits. You will be eligible for increased severance benefits (the “**CIC Severance Benefits**”) in the event that the Company experiences a Change in Control (as defined in the Severance Agreement) within three (3) months after July 8, 2022. Specifically, subject to satisfaction of the Severance Preconditions, in the event that the Company experiences a Change in Control after July 8, 2022 but on or before October 8, 2022, then:

(a) the Base Salary Severance set forth in Section 4 above will increase from nine (9) months to twelve (12) months of your base salary; (b) the potential COBRA Premiums set forth in Section 5(a) above will increase from nine (9) months to twelve (12) months; (c) the Company will pay you an additional cash severance payment in an amount equal to one hundred percent (100%) of your target annual bonus opportunity for 2022; and (d) the Company will accelerate 100% of any outstanding Equity Awards that are subject to time-based vesting (the “**Vesting Acceleration**”) as of the effective date of the Change in Control. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Awards agreements and documents. Notwithstanding anything stated herein or elsewhere to the contrary, if the successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue any then outstanding Equity Awards at the time of a Change in Control, you shall receive the Vesting Acceleration as of immediately prior to and contingent upon the Change in Control. In the event that you become eligible for the CIC Severance Benefits after the severance benefits set forth in Section 4 and 5 herein have already been paid to you, then the Company will pay you the difference between the CIC Severance Benefits and the severance benefits previously paid to you, within fifteen (15) business days after the effective date of the Change in Control. For the avoidance of doubt, under no circumstances will you be eligible for the full severance benefits set forth in Sections 4 and 5 and the CIC Severance Benefits.

8. No Other Compensation or Benefits. You acknowledge and agree that the benefits offered to you herein fulfill and exceed all of the Company’s obligations to pay you any severance benefits in connection with your employment termination, pursuant to your Severance Agreement and any other agreement, plan or policy. By executing this Agreement, you further agree and acknowledge that the Company’s obligations to provide you any and all severance benefits, other

than as set forth in this Agreement, are hereby extinguished. You further acknowledge that, except as expressly provided in this Agreement, you have not earned, will not earn by the Separation Date, and will not receive from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits before or after the Separation Date, with

Page 4

the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account) or any vested stock options.

9. Expense Reimbursements. You agree that, within ten (10) calendar days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

10. Return of Company Property. Within five (5) calendar days after the Separation Date (or earlier if requested by the Company), you will return to the Company all Company documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, password and account information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, your Company-provided laptop, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within five (5) calendar days after the Separation Date (or earlier if requested by the Company), you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. **Your timely compliance with this paragraph is a condition to your receipt of the severance benefits provided under this Agreement.**

11. Proprietary Information Obligations. You acknowledge and reaffirm your continuing obligations under your Confidential Information and Invention Assignment Agreement, a copy of which is attached hereto as ***Exhibit B***.

12. Confidentiality. The provisions of this Agreement will be held in strictest confidence by you and will not be publicized or disclosed by you in any manner whatsoever; *provided, however*, that: (a) you may disclose this Agreement in confidence to your immediate family and to your attorneys, accountants, tax preparers and financial advisors; (b) you may

disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law; and (c) you may make statements and disclosures as permitted under the section of this Agreement entitled "Protected Rights." In particular, and without limitation, you agree not to disclose the terms of this Agreement to any current or former Company employee or independent contractor.

13. Non-disparagement. You agree not to disparage the Company, its officers, directors, employees, shareholders, parents, subsidiaries, affiliates, and agents, in any manner likely to be

Page 5

harmful to its or their business, business reputation, or personal reputation. The Company agrees to instruct its officers and directors to not to make any defamatory comments about you, your character, traits, qualifications, skills, experience or job performance. Notwithstanding the foregoing in this paragraph, you and the Company (including its officers and directors) may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain any party in any manner from making disclosures protected under the whistleblower provisions of federal or state law or regulation or other applicable law or regulation, nor from making statements and disclosures as set forth in the section of this Agreement entitled "Protected Rights." You acknowledge and agree that the nondisparagement obligation in this section is not provided in exchange for a raise, bonus or as a condition of continued employment, but rather in exchange for the materially modified terms of employment during the Transition Period, eligibility for severance benefits you were not otherwise eligible to receive, and other consideration provided by the Company in this Agreement.

14. No Voluntary Adverse Action. You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the Protected Rights section below) assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents.

15. Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs.

16. No Admissions. You understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or to any other person, and that the Company makes no such admission.

17. Release of Claims. In exchange for the consideration provided to you under this

Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement. This general release includes, but is not limited to: (a) all claims arising from or in any way related to your employment with the Company or the decision to terminate that employment; (b) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits,

Page 6

stock, stock options, or any other ownership, equity, or profits interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (the "ADEA"), the California Labor Code (as amended), the California Family Rights Act and the California Fair Employment and Housing Act (as amended). Notwithstanding the foregoing, you are not releasing the Company hereby from:

(i) any obligation to indemnify you pursuant to the Articles and Bylaws of the Company, any valid fully executed indemnification agreement with the Company, or applicable law; (ii) any rights you have to file or pursue a claim for workers' compensation or unemployment insurance; (iii) any claims that cannot be waived by law; or (iv) any claims for breach of this Agreement.

18. Release Acknowledgements. You acknowledge that you have been advised, as required by California Government Code Section 12964.5(b)(4), that you have a right to consult an attorney regarding this Agreement and that you were given a reasonable time period of not less than five (5) business days in which to do so. You further acknowledge and agree that, in the event you sign this Agreement prior to the end of the reasonable time period, your decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing different terms to employees who sign such an agreement prior to the expiration of the time period. You further acknowledge and agree that the release of claims in this Agreement is not provided in exchange for a raise, bonus, or as a condition of continued employment, but rather in exchange for the materially modified terms and conditions of employment during the Transition Period, eligibility for severance benefits you were not otherwise eligible to receive, and other consideration provided by the Company in this Agreement.

19. ADEA Release. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you have under the ADEA, and that the consideration given for the waiver and releases you have given in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (a) your waiver and release does not apply to any rights or claims arising after the

date you sign this Agreement; (b) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (c) you have twenty-one (21) days to consider this Agreement (although you may choose voluntarily to sign it sooner); (d) you have seven (7) days following the date you sign this Agreement to revoke this Agreement (in a written revocation sent to the chief executive officer of the Company); and (e) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the “**Effective Date**”).

20. Section 1542 Waiver. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the

Page 7

release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of claims herein, including but not limited to your release of unknown claims.

21. Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“**Government Agencies**”). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

22. Representations. You hereby represent that you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act, the California Family Rights Act, or otherwise; and not suffered any on-the-job injury for which you have not already filed a workers’ compensation claim.

23. Miscellaneous. This Agreement, including its exhibits, constitutes the complete,

final and exclusive embodiment of the entire agreement between you and the Company with regard to its subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall

Page 8

be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

If this Agreement is acceptable to you, please sign below and return the original to me. **You have twenty-one (21) calendar days to decide whether to accept this Agreement, and the Company's offer contained herein will automatically expire if you do not sign and return it within that timeframe.**

We wish you the best in your future endeavors. Sincerely,

By: Christopher Lowe Christopher Lowe
Interim CEO, CFO and COO

I HAVE READ, UNDERSTAND AND AGREE FULLY TO THE FOREGOING AGREEMENT:

Caryn G. McDowell

Caryn G. McDowell

May 19, 2022

EXHIBIT A

SEPARATION DATE RELEASE

(To be signed and returned on or within 21 days after the Separation Date.)

In consideration for the severance benefits provided to me by Cortexyme, Inc. (the “**Company**”) pursuant to the terms of the transition separation agreement between me and the Company to which this Exhibit is attached (the “**Agreement**”), I agree to the terms below. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement.

I hereby represent that: (a) I have been paid all compensation owed and have been paid for all hours worked for the Company through the Separation Date; (b) I have received all the leave and leave benefits and protections for which I am eligible pursuant to the federal Family and Medical Leave Act, California Family Rights Act or otherwise; and (c) I have not suffered any on-the-job injury for which I have not already filed a workers’ compensation claim.

I hereby generally and completely release the Company and its current and former directors, officers, employees, members, participants, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns (collectively, the “**Released Parties**”) from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to or on the date that I sign this Separation Date Release (the “**Release**”). This general release includes, but is not limited to: (i) all claims arising out of or in any way related to my employment with the Company, or the termination of that employment;

(ii) all claims related to my compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, paid time off, expense reimbursements, severance pay, fringe benefits, and contributions to retirement plan; (iii) all claims for breach of contract (including breach of the Severance Agreement), wrongful termination, and breach of the implied covenant of good faith and fair dealing;

(iv) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (v) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys’ fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (the “**ADEA**”), the California Labor Code (as amended), and the California Fair Employment and Housing Act (as amended).

I acknowledge that I have been advised, as required by California Government Code Section 12964.5(b)(4), that I have a right to consult an attorney regarding this Separation Date Release and that I was given a reasonable time period of not less than five (5) business days in which to do so. I further acknowledge and agree that, in the event I sign this Separation Date Release prior to the end of the reasonable time period, my decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing different terms to employees who sign such an agreement prior to the expiration of the time period.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA. I also acknowledge that the consideration given for the waiver and releases in this Separation Date Release is in addition to anything of value to which I am already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) my waiver and release does not apply to any rights or claims that arise after the date I sign this Separation Date Release; (b) I should consult with an attorney prior to signing this Separation Date Release; (c) I have

21 days to consider this Separation Date Release (although I may choose to voluntarily sign it sooner); (d) I have seven (7) days following the date I sign this Separation Date Release to revoke it (by providing written notice of my revocation to the chief executive officer of the Company); and (e) the Separation Date Release will not be

Page 2

effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after I sign it (the “**Release Effective Date**”).

In giving the general release herein, which includes claims which may be unknown to me at present, I acknowledge that I have read and understand Section 1542 of the California Civil Code, which reads as follows: “**A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**” I hereby expressly waive and relinquish all rights and benefits under that section and any law or legal principle of similar effect in any other jurisdiction of with respect to my release of claims contained herein, including but not limited to the release of unknown and unsuspected claims.

Notwithstanding the foregoing, I am not hereby releasing any of the following claims (the “**Excluded Claims**”): (a) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, under the charter, bylaws or operating agreements of the Company, or under applicable law; (b) any rights that cannot be waived as a matter of law; (c) any rights I have to file or pursue a claim for workers’ compensation or unemployment insurance; and (d) any claims arising from the breach of this Separation Date Release. I hereby represent and warrant that, other than the Excluded Claims, I am not aware of any claims that I have or might have against any of the Released Parties that are not included in the Released Claims.

I agree not to disparage the Company, and the Company’s officers, directors, employees, shareholders and agents, in any manner likely to be harmful to them or their business, business reputation or personal reputation. The Company agrees to instruct its officers and directors to not to make any defamatory comments about you, your character, traits, qualifications, skills, experience or job performance. However, nothing herein shall prevent me or the Company from responding accurately and fully to any question, inquiry or request for information if required by legal process or in connection with a government investigation. In addition, nothing herein shall prevent me from: making disclosures that are protected under the whistleblower provisions of federal law or regulation or under other applicable law or regulation; engaging in any conduct permitted under the section entitled Protected Rights in the Agreement; filing a charge or complaint with any Government Agency; communicating with any Government Agencies; or otherwise participating in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. However, I understand and agree that, to the maximum extent permitted by law, I am otherwise waiving any and all rights I may have to individual relief based on any claims I have released and any rights I have waived by signing this Separation Date Release, *provided that* this Separation Date Release does not limit my right to receive any award for information provided to the Securities and Exchange Commission.

This Separation Date Release, together with the Agreement (and its exhibits), constitutes the entire agreement between me and the Company with respect to the subject matter hereof. I am not relying on any representation not contained herein or in the Agreement.

By: _____ Caryn G. McDowell

Date:

EXHIBIT B

CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

CORTEXYME, INC.

CONFIDENTIAL INFORMATION AND INVENTION
ASSIGNMENT AGREEMENT

Caryn McDowell

Employee Name: _____

05/05/2020

Effective Date: _____

As a condition of my becoming employed (or my employment being continued) by Cortexyme, Inc., a Delaware corporation, or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the “Company”), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following:

1. **Relationship.** This Confidential Information and Invention Assignment Agreement (this “Agreement”) will apply to my employment relationship with the Company. If that relationship ends and the Company, within a year thereafter, either reemploys me or engages me as a consultant, I agree that this Agreement will also apply to such later employment or consulting relationship, unless the Company and I otherwise agree in writing. Any such employment or consulting relationship between the parties hereto, whether commenced prior to, upon or after the date of this Agreement, is referred to herein as the “Relationship.”

2. **Duties.** I will perform for the Company such duties as may be designated by the Company from time to time or that are otherwise within the scope of the Relationship and not contrary to instructions from the Company. During the Relationship, I will devote my entire best business efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company without the prior written consent of the Company.

3. **Confidential Information.**

(a) **Protection of Information.** I understand that during the Relationship, the Company intends to provide me with information, including Confidential Information (as defined below), without which I would not be able to perform my duties to the Company. I agree, at all times during the term of the Relationship and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, and not to disclose to any person, firm, corporation or other entity, without written authorization from

the Company in each instance, any Confidential Information that I obtain, access or create during the term of the Relationship, whether or not during working hours, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved. I further agree not to make copies of such Confidential Information except as authorized by the Company.

(b) **Confidential Information.** I understand that “Confidential Information” means information and physical material not generally known or available outside the Company

and information and physical material entrusted to the Company in confidence by third parties. Confidential Information includes, without limitation: (i) Company Inventions (as defined below); and (ii) technical data, trade secrets, know-how, research, product or service ideas or plans, software codes and designs, algorithms, developments, inventions, patent applications, laboratory notebooks, processes, formulas, techniques, biological materials, mask works, engineering designs and drawings, hardware configuration information, agreements with third parties, lists of, or information relating to, employees and consultants of the Company (including, but not limited to, the names, contact information, jobs, compensation, and expertise of such employees and consultants), lists of, or information relating to, suppliers and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information disclosed to me by the Company either directly or indirectly, whether in writing, electronically, orally, or by observation.

(c) **Third Party Information.** My agreements in this Section 3 are intended to be for the benefit of the Company and any third party that has entrusted information or physical material to the Company in confidence. I further agree that, during the term of the Relationship and thereafter, I will not improperly use or disclose to the Company any confidential, proprietary or secret information of my former employer(s) or any other person, and I agree not to bring any such information onto the Company’s property or place of business.

(d) **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

4. **Ownership of Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a complete list describing with particularity all Inventions (as defined below) that, as of the Effective Date: (i) I made, and/or (ii) belong solely to me or belong to me jointly with others or in which I have an interest, and that relate in any way to any of the Company’s actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, I

represent that there are no such Inventions at the time of signing this Agreement, and to the extent such Inventions do exist and are not listed on Exhibit A, I hereby forever waive any and all rights or claims of ownership to such Inventions. I understand that my listing of any Inventions on Exhibit A does not constitute an acknowledgement by the Company of the existence or extent of such Inventions, nor of my ownership of such Inventions. I further understand that I must receive the formal approval of the Company before commencing my Relationship with the Company.

(b) **Use or Incorporation of Inventions.** If in the course of the Relationship, I use or incorporate into a product, service, process or machine any Invention not covered by Section 4(d) of this Agreement in which I have an interest, I will promptly so inform the Company in writing. Whether or not I give such notice, I hereby irrevocably grant to the Company a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with right to transfer and to sublicense, to practice and exploit such Invention and to make, have

made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute such Invention under all applicable intellectual property laws without restriction of any kind.

(c) **Inventions.** I understand that “Inventions” means discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets and/or original works of authorship, whether or not patentable, copyrightable or otherwise legally protectable. I understand this includes, but is not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design or configuration of any kind, or any improvement thereon. I understand that “Company Inventions” means any and all Inventions that I may solely or jointly author, discover, develop, conceive, or reduce to practice during the period of the Relationship, except as otherwise provided in Section 4(g) below.

(d) **Assignment of Company Inventions.** I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title and interest throughout the world in and to any and all Company Inventions and all patent, copyright, trademark, trade secret and other intellectual property rights therein. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, that I now have or may hereafter have for infringement of any and all Company Inventions. I further acknowledge that all Company Inventions that are made by me (solely or jointly with others) within the scope of and during the period of the Relationship are “works made for hire” (to the greatest extent permitted by applicable law) and are compensated by my salary. Any assignment of Company Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively, “Moral Rights”). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent

permitted under applicable law.

(e) **Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Company Inventions made or conceived by me (solely or jointly with others) during the term of the Relationship. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, or any other format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to deliver all such records (including any copies thereof) to the Company at the time of termination of the Relationship as provided for in Section 5 and Section 6.

(f) **Patent and Copyright Rights.** I agree to assist the Company, or its designee, at its expense, in every proper way to secure the Company's, or its designee's, rights in the Company Inventions and any copyrights, patents, trademarks, mask work rights, Moral Rights, or other intellectual property rights relating thereto in any and all countries, including the

disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive and agree never to assert such rights, and in order to assign and convey to the Company or its designee, and any successors, assigns and nominees the sole and exclusive right, title and interest in and to such Company Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue during and at all times after the end of the Relationship and until the expiration of the last such intellectual property right to expire in any country of the world. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such instruments and papers and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright, mask work and other registrations related to such Company Inventions. This power of attorney is coupled with an interest and shall not be affected by my subsequent incapacity.

(g) **Exception to Assignments.** Subject to the requirements of applicable state law, if any, I understand that the Company Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention which qualifies fully for exclusion under the provisions of applicable state law, if any, attached hereto as Exhibit B. In order to assist in the determination of which inventions qualify for such exclusion, I will advise the Company promptly in writing, during and after the term of the Relationship, of all Inventions solely or jointly conceived or developed or reduced to practice by me during the period of the Relationship.

5. **Company Property; Returning Company Documents.** I acknowledge and agree that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, files, e-mail messages, and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored or reviewed at any time without notice. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I agree that, at the time of termination of the Relationship, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns.

6. **Termination Certification.** In the event of the termination of the Relationship, I agree to sign and deliver the "**Termination Certification**" attached hereto as **Exhibit C**; however, my failure to sign and deliver the Termination Certification shall in no way diminish my continuing obligations under this Agreement.

7. **Notice to Third Parties.** I agree that during the periods of time during which I am restricted in taking certain actions by the terms of this Agreement (the "**Restriction Period**"), I shall inform any entity or person with whom I may seek to enter into a business relationship (whether as an owner, employee, independent contractor or otherwise) of my contractual obligations under this Agreement. I also understand and agree that the Company may, with or without prior notice to me and during or after the term of the Relationship, notify third parties of my agreements and obligations under this Agreement. I further agree that, upon written request by the Company, I will respond to the Company in writing regarding the status of my employment or proposed employment with any party during the Restriction Period.

8. **Solicitation of Employees, Consultants and Other Parties.** As described above, I acknowledge and agree that the Company's Confidential Information includes information relating to the Company's employees, consultants, customers and others, and that I will not use or disclose such Confidential Information except as authorized by the Company. I further agree as follows:

(a) **Employees, Consultants.** I agree that during the term of the Relationship, and for a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I shall not, directly or indirectly, solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

(b) **Other Parties.** I agree that during the term of the Relationship, I will not negatively influence any of the Company's clients, licensors, licensees or customers from purchasing Company products or services or solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. In addition, I acknowledge that the Company has valuable Trade Secrets (as defined by applicable law from time to time) to which I will have access during the term of the Relationship. I understand that the Company intends to vigorously pursue its rights under applicable Trade Secrets law if, during a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. Thereafter, the Company intends to vigorously pursue its rights under applicable Trade Secrets law as the circumstances warrant.

9. **At-Will Relationship.** I understand and acknowledge that, except as may be otherwise explicitly provided in a separate written agreement between the Company and me, my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability, other than those provisions of this Agreement that explicitly continue in effect after the termination of the Relationship.

10. **Representations and Covenants.**

(a) **Facilitation of Agreement.** I agree to execute promptly, both during and after the end of the Relationship, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company's written request to do so.

(b) **No Conflicts.** I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by me in confidence or in trust prior to or during the Relationship. I will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party. I acknowledge and agree that I have listed on Exhibit A all agreements (e.g., non-competition agreements, non-solicitation of customers agreements, non-solicitation of employees agreements, confidentiality agreements, inventions agreements, etc.), if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or

otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

(c) **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement, that I understand and have voluntarily accepted such provisions, and that I will fully and faithfully comply with such provisions.

11. **Electronic Delivery.** Nothing herein is intended to imply a right to participate in any of the Company's equity incentive plans, however, if I do participate in such plan(s), the Company may, in its sole discretion, decide to deliver any documents related to my participation in the Company's equity incentive plan(s) by electronic means or to request my consent to participate in such plan(s) by electronic means. I hereby consent to receive such documents by electronic delivery and agree, if applicable, to participate in such plan(s) through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

12. **Miscellaneous.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of California, without giving effect to the principles of conflict of laws.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and me relating to its subject matter and merges all prior discussions between us. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have

waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even if I am an officer of the Company, I will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the Board of Directors. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

(d) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being

deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(e) **Severability.** If one or more of the provisions in this Agreement are deemed void or unenforceable to any extent in any context, such provisions shall nevertheless be enforced to the fullest extent allowed by law in that and other contexts, and the validity and force of the remainder of this Agreement shall not be affected. The Company and I have attempted to limit my right to use, maintain and disclose the Company's Confidential Information, and to limit my right to solicit employees and customers only to the extent necessary to protect the Company from unfair competition. Should a court of competent jurisdiction determine that the scope of the covenants contained in Section 8 exceeds the maximum restrictiveness such court deems reasonable and enforceable, the parties intend that the court should reform, modify and enforce the provision to such narrower scope as it determines to be reasonable and enforceable under the circumstances existing at that time.

(f) **Remedies.** I acknowledge and agree that violation of this Agreement by me may cause the Company irreparable harm, and therefore I agree that the Company will be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, I agree that a \$1,000 bond will be adequate), in addition to and without prejudice to any other rights or remedies that the Company may have for a breach of this Agreement.

(g) **Advice of Counsel.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page Follows]

The parties have executed this Agreement on the respective dates set forth below, to be effective as of the Effective Date first above written.

THE COMPANY:

CORTEXYME, INC.

Cortexyme, Inc.

By: _

Address:

United States

5/4/2020

Date: _____

EMPLOYEE:

Caryn McDowell

(PRINT NAME)



(Signature)

Address:

80 Pagan Dr,
Hillsborough, CA 94010

Email: cmcdowell@cortexyme.com

Date: 5/4/2020

EXHIBIT A

**LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED UNDER SECTION 4(a) AND CONFLICTING AGREEMENTS DISCLOSED UNDER
SECTION 10(b)**

The following is a list of (i) all Inventions that, as of the Effective Date: (A) I made, and/or (B) belong solely to me or belong to me jointly with others or in which I have an interest, and that relate in any way to any of the Company's actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company and (ii) all agreements, if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my

ability to perform my duties for the Company or any obligation I may have to the Company:

<u>Title</u>	<u>Date</u>	<u>Identifying Number or Brief Description</u>
CLAO	5/4/202	none

Except as indicated above on this exhibit, I have no inventions, improvements or original works to disclose pursuant to Section 4(a) of this Agreement and no agreements to disclose pursuant to Section 10(b) of this Agreement.

____Additional sheets attached

Signature of Employee: Caryn McDowell _____

Print Name of Employee: _____
Caryn McDowell

Date: 5/4/2020 _____

EXHIBIT B

Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to

require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

EXHIBIT C TERMINATION

CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to Cortexyme, Inc., a Delaware corporation, its subsidiaries, affiliates, successors or assigns (collectively, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any Inventions (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement, and I acknowledge my continuing obligations under that agreement.

I further agree that, in compliance with the Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twelve (12) months from the date of this Certification, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

Further, I agree that I shall not use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Further, I acknowledge that the Company has valuable Trade Secrets (as defined by applicable law from time to time) to which I have had access. I understand that the Company intends to vigorously pursue its rights under applicable Trade Secrets law if, during a period of twelve (12) months from the date

of this Certification, I solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. Thereafter, the Company intends to vigorously pursue its rights under applicable Trade Secrets law as the circumstances warrant.

Date: _____ **EMPLOYEE:**

(Print Employee's Name)

(Signature)

CORTEXIME, INC.

EXECUTIVE CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Executive Change in Control and Severance Agreement (the “*Agreement*”) is made and entered into by and between Brendan Hannah (“*Executive*”) and Cortexyme, Inc. (the “*Company*”), effective as of May [19], 2022 (the “*Effective Date*”).

RECITALS

1. The Board of Directors of the Company (the “*Board*”) has determined that it is in the best interest of the Company and its stockholders to provide certain payments and benefits in connection with certain terminations of Executive’s employment with the Company, including certain terminations that occur in connection with a Change in Control.
2. Capitalized terms used in this Agreement and not otherwise defined herein are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and will continue to be at-will, as defined under applicable law.
 2. Rights Upon Termination. Except as expressly provided in Section 3, upon the termination of Executive’s employment, Executive shall only be entitled to: (i) all earned but unpaid salary, all accrued but unpaid vacation and all other earned but unpaid compensation or wages, (ii) any unreimbursed business expenses incurred by Executive on or before the termination date and which are reimbursable under the Company’s business expense reimbursement policies, which will be paid to Executive promptly following Executive’s submission of any required receipts and other documentation to the Company in accordance with the Company’s business expense reimbursement policies, provided such receipts and documents are received by the Company within forty-five (45) days after the date of Executive’s termination, and (iii) such other compensation or benefits due to Executive under any Company-provided retirement, health or equity plans, policies, and arrangements or as otherwise required by law (collectively, the “*Accrued Benefits*”).
 3. Severance Benefits.
 - (a) Termination without Cause or Resignation for Good Reason outside of Change in Control Period. If, outside of the Change in Control Period, the Company (or any parent, subsidiary or successor of the Company) terminates Executive’s employment without Cause or Executive resigns for Good Reason, then, subject to Section 4 below, Executive will receive the following severance benefits from the Company:
 - (i) Base Salary Severance. Executive will receive base salary severance in an
-

amount equal to twelve (12) months of base salary at Executive's Base Salary Rate. The base salary severance shall be paid to Executive at Executive's Base Salary Rate in accordance with the Company's

normal payroll practices on the Company's regularly scheduled payroll dates commencing with the first regularly scheduled payroll date that occurs at least 8 days following the Release Deadline, with the first payment being equal to the number of business days between Executive's last day of employment and the date of the first payment multiplied by Executive's daily Base Salary Rate.

(ii) Target Annual Bonus Severance. Executive will receive a target annual bonus severance payment in an amount equal to one hundred percent (100%) of Executive's target annual bonus opportunity for the year in which the termination occurs, but pro-rated to the effective date of termination. The target annual bonus severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the termination of Executive's employment.

(iii) Benefits Severance. Executive will receive a benefits severance payment in an amount equal to twelve (12) months' of the monthly premiums that would be due for continuation coverage under Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), if Executive were to elect COBRA continuation coverage for Executive and Executive's eligible dependents (based on the coverage levels in effect immediately prior to Executive's termination or resignation and based on the premium amount that would be due for the first month of COBRA coverage if Executive were to elect such COBRA continuation coverage). The benefits severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline and will be made, subject to all applicable taxes and required withholdings, and regardless of whether Executive elects COBRA continuation coverage.

(iv) Equity Awards. Executive shall vest in any outstanding Equity Awards that are unvested as of Executive's termination of employment as follows: in the case of any outstanding Equity Awards that are subject to time-based vesting, 50% of any outstanding Equity Awards, and in the case of any outstanding Equity Awards that are subject to performance-based vesting, all performance goals and other vesting criteria generally will be deemed achieved at 50% of target levels as of the Executive's termination of employment. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement.

(b) Termination without Cause or Resignation for Good Reason during Change in Control Period. If, during the Change in Control Period, (i) the Company (or any parent, subsidiary or successor of the Company) terminates Executive's employment without Cause or (ii) Executive resigns Executive's employment with the Company (or any parent, subsidiary or successor of the Company) for Good Reason, then, subject to Section 4 below, Executive will receive the following severance benefits from the Company:

(i) Base Salary Severance. Executive will receive a base salary severance payment in an amount equal to eighteen (18) months of base salary at Executive's Base Salary Rate. The base salary severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline.

(ii) Target Annual Bonus Severance. Executive will receive a target annual bonus severance payment in an amount equal to one hundred fifty percent (150%) of Executive's target annual bonus opportunity for the year in which the termination occurs, but pro-rated to the effective date of termination. The target annual bonus severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline.

(iii) Benefits Severance. Executive will receive a benefits severance payment in

an amount equal to eighteen (18) months of the monthly premiums that would be due for continuation coverage under COBRA if Executive were to elect COBRA continuation coverage for Executive and

Executive's eligible dependents (based on the coverage levels in effect immediately prior to Executive's termination or resignation and based on the premium amount that would be due for the first month of COBRA coverage if Executive were to elect such COBRA continuation coverage). The benefits severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline and will be made, subject to all applicable taxes and required withholdings, and regardless of whether Executive elects COBRA continuation coverage.

(iv) Equity Awards. Executive shall vest in any outstanding Equity Awards that are unvested as of Executive's termination of employment as follows: in the case of any outstanding Equity Awards that are subject to time-based vesting, 100% of any outstanding Equity Awards, and in the case of any outstanding Equity Awards that are subject to performance-based vesting, all performance goals and other vesting criteria generally will be deemed achieved at 100% of target levels (the "Vesting Acceleration") as of the later of Executive's termination of employment or the Change in Control. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement. Notwithstanding anything stated herein or elsewhere to the contrary, if the successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue any then outstanding Equity Awards at the time of a Change in Control, Executive shall receive the Vesting Acceleration as of immediately prior to and contingent upon the Change in Control unless Executive's employment with the Company (or any parent, subsidiary or successor of the Company) terminates due to Executive's resignation without Good Reason or by the Company for Cause.

(c) Resignation; Termination for Cause. If Executive's employment with the Company is terminated at any time (i) by Executive other than for Good Reason, or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits pursuant to this Agreement except for the Accrued Benefits.

(d) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability where Executive is no longer willing or able to continue performing services for the Company, or Executive's employment terminates due to Executive's death, then Executive will not be entitled to receive severance or other benefits pursuant to this Agreement except for the Accrued Benefits.

(e) Breach. The parties acknowledge that Executive's entitlement to the severance payments and benefits contained in this Section 3 are of the essence and an integral part of this Agreement, and that, without such severance provisions, the parties would not enter into this Agreement. Therefore, if the Company, or any successor to the Company, breaches the terms of this Section 3 by failing or refusing pay or provide any of the severance payments or benefits owed to Executive in the amounts and/or according to the time periods set forth herein, Executive shall be entitled to two times (2x) the amount of severance payments and benefits that Executive would otherwise be entitled to receive pursuant to this Agreement according to the same terms set forth herein. The parties acknowledge and agree that any additional severance payments and benefits paid pursuant to this Section 3(e) constitute liquidated damages that would be incurred by Executive and that these additional severance payments and benefits are not a penalty, rather they are a reasonable amount intended as liquidated damages that will compensate Executive in the circumstances in which they are payable for the efforts and resources expended, and opportunities foregone, while negotiating and/or enforcing this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated by this Agreement, which amounts would otherwise be impossible to calculate with precision.

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance or other benefits pursuant to Section 3 will be subject to Executive signing and not revoking a general release of all claims

in a form provided by the Company, and such release becoming effective and irrevocable no later than the sixtieth (60th) day following Executive's termination (such deadline, the "**Release Deadline**"). No severance or other benefits will be paid or provided pursuant to this Agreement until the release becomes effective and irrevocable. If the release does not become effective and irrevocable by the Release Deadline other than as a result of an act or omission of the Company, Executive will forfeit all rights to severance payments and benefits under this Agreement.

(b) Confidential Information Agreement and Other Requirements. Executive's receipt of any payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of the Confidential Information and Invention Assignment Agreement, which Executive acknowledges and agrees shall remain in full force and effect.

(c) Code Section 409A. For purposes of Section 409A of the Code, the regulations and other guidance there under and any state law of similar effect (collectively "**Section 409A**"), each payment that is paid pursuant to this Agreement is hereby designated as a separate payment. Further (i) no severance or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or benefits, are considered deferred compensation under Section 409A, will be paid or otherwise provided until Executive has had a "separation from service" within the meaning of Section 409A, (ii) no severance or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that are intended to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) will be paid or otherwise provided until Executive has had an "involuntary separation from service" within the meaning of Section 409A, and (iii) in the case of (i) and (ii), any reference in this Agreement to "termination" or "termination of employment" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A. The parties intend that all payments and benefits provided or to be provided under this Agreement comply with, or are exempt from, the requirements of Section 409A so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to so comply or be so exempt. The Company and Executive agree to work together in good faith to consider amendments to this Agreement, and to take such reasonable actions, which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition under Section 409A before payments or benefits are provided to Executive. Any severance payments or benefits made in connection with Executive's termination under this Agreement and provided on or before the 15th day of the 3rd month following the end of Executive's first tax year in which Executive's termination occurs or, if later, the 15th day of the 3rd month following the end of the Company's first tax year in which Executive's termination occurs, shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(4) and any additional payments or benefits provided in connection with Executive's termination under this Agreement shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) (to the extent it is exempt pursuant to such section it will in any event be provided no later than the last day of Executive's 2nd taxable year following the taxable year in which Executive's termination occurs). Notwithstanding the foregoing, if any of the payments or benefits provided in connection with Executive's termination do not qualify for any reason to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(4), Treasury Regulation Section 1.409A-1(b)(9)(iii), or any other applicable exemption and Executive is, at the time of Executive's termination, a "specified employee," as defined in Treasury Regulation Section

1.409A-1(i), each such payment or benefit will not be provided until the first regularly scheduled payroll date that occurs on or after the date six (6) months and one (1) day following Executive's termination and, on such date (or, if earlier, another date that occurs as soon as practicable after Executive's death), Executive will receive all payments and benefits that would have been provided during such period in a single lump sum, if applicable. In addition, notwithstanding any other provision herein to the contrary, to the extent that any reimbursements or in-kind benefits under this Agreement or otherwise constitute non-exempt "nonqualified deferred compensation" within the meaning of Section 409A, then any such

reimbursements and/or benefits (i) shall be made or provided promptly but no later than December 31st of the calendar year following the year in which the expense was incurred by Executive, (ii) shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other calendar year, and (iii) shall not be subject to liquidation or exchange for another benefit.

5. Limitation on Payments. In the event that the severance benefits provided for in this Agreement and/or other payments and benefits otherwise provided to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then, at the election of Executive, Executive's severance benefits under Section 3, and/or the other payments and benefits otherwise provided to Executive, will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits and other payments and benefits, notwithstanding that all or some portion of such severance benefits and other payments and benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company's outside legal counsel or independent public accountants or other firm selected by the Company (the "**Firm**"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 5. Any reduction made pursuant to this Section 5 shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("**Underwater Options**") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time).

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Base Salary Rate. For purposes of this Agreement, “**Base Salary Rate**” means Executive’s base salary rate as in effect immediately prior to the date of Executive’s termination of employment (provided, if Executive resigns as a result of Section 6(i)(ii), “Base Salary Rate” shall mean Executive’s base salary rate as in effect immediately prior to the reduction triggering Section 6(i)(ii)).

(b) Cause. For purposes of this Agreement, “**Cause**” shall mean the Executive’s: (i) breach of a fiduciary duty owed by the Executive to the Company or its respective shareholders; (ii) willful misconduct or gross negligence in the performance of the Executive’s material duties; (iii) the Executive’s

failure to comply with the written, lawful instruction of the Board which are consistent with Executive’s duties as Chief Business Officer of the Company; (iv) fraud, embezzlement or other dishonesty with respect to the Company or its affiliates (but with respect to dishonesty, excluding the de minimis use of Company resources or services for personal reasons); (v) conviction, plea of nolo contendere, guilty plea, or confession to any felony or any crime based upon an act of fraud, embezzlement or moral turpitude (excepting any non-felony traffic offenses); (vi) the Executive being under the influence of alcohol during working hours or under the influence of controlled substances at any time unless taken pursuant to a valid prescription provided by a medical professional (excepting alcohol consumed at a Company party or similar social event), or (vii) a material breach of this Agreement, provided that with respect to conduct subject to (ii), (iii), (vi) or (vii), if curable, shall not constitute Cause unless the Board has (A) determined by the affirmative vote of a majority of the entire Board that Cause exists and (B) provided the Executive with written notice of the acts or omissions giving rise to a termination of his employment for Cause and the Executive fails to correct the act or omission within thirty (30) days after receiving the Company’s notice (the “**Cure Period**”).

(c) Code. For purposes of this Agreement, “**Code**” means the Internal Revenue Code of 1986, as amended.

(d) Change in Control. For purposes of this Agreement, “**Change in Control**” shall have the meaning set forth in the Plan.

(e) Change in Control Period. For purposes of this Agreement, “**Change in Control Period**” means the period beginning three (3) months prior to, and ending eighteen (18) months following, a Change in Control.

(f) Disability. For purposes of this Agreement, “**Disability**” means total and permanent disability as defined in Section 22(e) (3) of the Code.

(g) Equity Award. For purposes of this Agreement, “**Equity Award**” means each then outstanding award relating to the Company’s common stock (whether stock options, stock appreciation rights, shares of restricted stock, restricted stock units, performance shares, performance units or other similar awards).

(h) Full Credit Payment. For purposes of this Agreement, “**Full Credit Payment**” means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax.

(i) Good Reason. For purposes of this Agreement, resignation for “**Good Reason**”

means Executive's resignation due to the occurrence of any of the following conditions which occurs without Executive's written consent, provided that the requirements regarding advance notice and an opportunity to cure set forth below are satisfied:

- (i) One or more adverse changes to Executive's authority, duties or responsibilities that, individually or taken as a whole, results in a material diminution in Executive's authority, duties or responsibilities in effect prior to such change or changes;
- (ii) A 10% or more reduction in Executive's base salary from its highest level or a 10% or more reduction in Executive's base compensation (including base salary and target bonus) from its highest level;
- (iii) The Company conditions Executive's continued service with the Company on the relocation of Executive's principal work location to a location that is more than twenty (20) miles from Executive's then current principal work location and such relocation results in an increase in Executive's one-way commuting distance from Executive's home by twenty (20) miles or more;
- (iv) The failure of the Company to obtain the assumption of this Agreement by any successor to the Company; or
- (v) Any material breach or material violation of a material provision of this Agreement by the Company (or any successor to the Company).

In order for Executive to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason condition within ninety (90) days of his discovery of existence of such Good Reason condition. Upon receipt of such notice, the Company will have thirty (30) days during which it may remedy the Good Reason condition and not be required to provide the severance payments and benefits described herein as a result of such proposed resignation; provided that the Company's cure right shall be no more than ten (10) days for the failure to pay any compensation to Executive when due. If the Good Reason condition is not remedied within the applicable cure period, Executive may resign based on the Good Reason condition specified in the notice effective no later than ninety (90) days following the expiration of the applicable cure period.

(j) Partial Credit Payment. For purposes of this Agreement, "**Partial Credit Payment**" means any payment, distribution or benefit that is not a Full Credit Payment. In no event shall Executive have any discretion with respect to the ordering of payment reductions.

(k) Plan. For purposes of this Agreement, "**Plan**" means the Company's 2019 Equity Incentive Plan.

7. Successors.

(a) Company Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any such successor to the Company's business and/or assets.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to Executive at the home address which Executive most recently

communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of the Company's Secretary (or, if Executive is the Company's Secretary, any other executive officer of the Company).

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason or as a result of a voluntary resignation will be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date.

9. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

(b) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of California (with the exception of its conflict of law provisions).

(e) Legal Fees. In the event of litigation with respect to this Agreement the substantially prevailing party shall be entitled to recover his or its legal fees and expenses.

(f) Entire Agreement. This Agreement represents the entire agreement and understanding between the parties hereto and supersedes all prior or contemporaneous agreements with respect to the subject matter of this Agreement. Further, this Agreement supersedes in their entirety any and all prior offer letters or employment agreements entered into by and between Executive and the Company, which offer letters and employment agreements shall be null and void. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement.

In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise, or understanding that is not in this Agreement. To the extent that any provisions of this Agreement conflict with those of any other agreement between Executive and the Company, the terms in this Agreement will prevail.

(g) Severability. In the event that any provision or any portion of any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision or portion of provision. The remainder of this Agreement shall be interpreted so as best to give effect to the intent of the Company and Executive.

(h) Taxes, Withholding and Required Deductions. All payments and, if applicable, benefits made pursuant to this Agreement will be subject to all applicable taxes, withholding of taxes, and any other required deductions.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile or scanned copy will have the same force and effect as execution of an original, and a facsimile or scanned signature will be deemed an original and valid signature.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the date first set forth above.

THE COMPANY:

CORTEXYME, INC.

Christopher Lowe
By: _____
Name: Christopher Lowe

Title: Interim Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, Director

EXECUTIVE

DocuSigned by:
Brendan Hannah
B37862FA525447A...

(Signature)

By: Brendan Hannah Date:

May 8, 2022

CORTEXIME, INC.

EXECUTIVE CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Executive Change in Control and Severance Agreement (the “*Agreement*”) is made and entered into by and between Karen Smith (“*Executive*”) and Cortexyme, Inc. (the “*Company*”), effective as of May [19], 2022 (the “*Effective Date*”).

RECITALS

1. The Board of Directors of the Company (the “*Board*”) has determined that it is in the best interest of the Company and its stockholders to provide certain payments and benefits in connection with certain terminations of Executive’s employment with the Company, including certain terminations that occur in connection with a Change in Control.
2. Capitalized terms used in this Agreement and not otherwise defined herein are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and will continue to be at-will, as defined under applicable law.
 2. Rights Upon Termination. Except as expressly provided in Section 3, upon the termination of Executive’s employment, Executive shall only be entitled to: (i) all earned but unpaid salary, all accrued but unpaid vacation and all other earned but unpaid compensation or wages, (ii) any unreimbursed business expenses incurred by Executive on or before the termination date and which are reimbursable under the Company’s business expense reimbursement policies, which will be paid to Executive promptly following Executive’s submission of any required receipts and other documentation to the Company in accordance with the Company’s business expense reimbursement policies, provided such receipts and documents are received by the Company within forty-five (45) days after the date of Executive’s termination, and (iii) such other compensation or benefits due to Executive under any Company-provided retirement, health or equity plans, policies, and arrangements or as otherwise required by law (collectively, the “*Accrued Benefits*”).
 3. Severance Benefits.
 - (a) Termination without Cause or Resignation for Good Reason outside of Change in Control Period. If, outside of the Change in Control Period, the Company (or any parent, subsidiary or successor of the Company) terminates Executive’s employment without Cause or Executive resigns for Good Reason, then, subject to Section 4 below, Executive will receive the following severance benefits from the Company:
 - (i) Base Salary Severance. Executive will receive base salary severance in an amount equal to twelve (12) months of base salary at Executive’s Base Salary Rate. The base salary severance shall be paid to Executive at Executive’s Base Salary Rate in accordance with the Company’s
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normal payroll practices on the Company's regularly scheduled payroll dates commencing with the first regularly scheduled payroll date that occurs at least 8 days following the Release Deadline, with the first payment being equal to the number of business days between Executive's last day of employment and the date of the first payment multiplied by Executive's daily Base Salary Rate.

(ii) Target Annual Bonus Severance. Executive will receive a target annual bonus severance payment in an amount equal to one hundred percent (100%) of Executive's target annual bonus opportunity for the year in which the termination occurs, but pro-rated to the effective date of termination. The target annual bonus severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the termination of Executive's employment.

(iii) Benefits Severance. Executive will receive a benefits severance payment in an amount equal to twelve (12) months' of the monthly premiums that would be due for continuation coverage under Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), if Executive were to elect COBRA continuation coverage for Executive and Executive's eligible dependents (based on the coverage levels in effect immediately prior to Executive's termination or resignation and based on the premium amount that would be due for the first month of COBRA coverage if Executive were to elect such COBRA continuation coverage). The benefits severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline and will be made, subject to all applicable taxes and required withholdings, and regardless of whether Executive elects COBRA continuation coverage.

(iv) Equity Awards. Executive shall vest in any outstanding Equity Awards that are unvested as of Executive's termination of employment as follows: in the case of any outstanding Equity Awards that are subject to time-based vesting, 50% of any outstanding Equity Awards, and in the case of any outstanding Equity Awards that are subject to performance-based vesting, all performance goals and other vesting criteria generally will be deemed achieved at 50% of target levels as of the Executive's termination of employment. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement.

(b) Termination without Cause or Resignation for Good Reason during Change in Control Period. If, during the Change in Control Period, (i) the Company (or any parent, subsidiary or successor of the Company) terminates Executive's employment without Cause or (ii) Executive resigns Executive's employment with the Company (or any parent, subsidiary or successor of the Company) for Good Reason, then, subject to Section 4 below, Executive will receive the following severance benefits from the Company:

(i) Base Salary Severance. Executive will receive a base salary severance payment in an amount equal to eighteen (18) months of base salary at Executive's Base Salary Rate. The base salary severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline.

(ii) Target Annual Bonus Severance. Executive will receive a target annual bonus severance payment in an amount equal to one hundred fifty percent (150%) of Executive's target annual bonus opportunity for the year in which the termination occurs, but pro-rated to the effective date of termination. The target annual bonus severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline.

(iii) Benefits Severance. Executive will receive a benefits severance payment in an amount equal to eighteen (18) months of the monthly premiums that would be due for continuation coverage under COBRA if Executive were to elect COBRA continuation coverage for Executive and

Executive's eligible dependents (based on the coverage levels in effect immediately prior to Executive's termination or resignation and based on the premium amount that would be due for the first month of COBRA coverage if Executive were to elect such COBRA continuation coverage). The benefits severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline and will be made, subject to all applicable taxes and required withholdings, and regardless of whether Executive elects COBRA continuation coverage.

(iv) Equity Awards. Executive shall vest in any outstanding Equity Awards that are unvested as of Executive's termination of employment as follows: in the case of any outstanding Equity Awards that are subject to time-based vesting, 100% of any outstanding Equity Awards, and in the case of any outstanding Equity Awards that are subject to performance-based vesting, all performance goals and other vesting criteria generally will be deemed achieved at 100% of target levels (the "Vesting Acceleration") as of the later of Executive's termination of employment or the Change in Control. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement. Notwithstanding anything stated herein or elsewhere to the contrary, if the successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue any then outstanding Equity Awards at the time of a Change in Control, Executive shall receive the Vesting Acceleration as of immediately prior to and contingent upon the Change in Control unless Executive's employment with the Company (or any parent, subsidiary or successor of the Company) terminates due to Executive's resignation without Good Reason or by the Company for Cause.

(c) Resignation; Termination for Cause. If Executive's employment with the Company is terminated at any time (i) by Executive other than for Good Reason, or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits pursuant to this Agreement except for the Accrued Benefits.

(d) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability where Executive is no longer willing or able to continue performing services for the Company, or Executive's employment terminates due to Executive's death, then Executive will not be entitled to receive severance or other benefits pursuant to this Agreement except for the Accrued Benefits.

(e) Breach. The parties acknowledge that Executive's entitlement to the severance payments and benefits contained in this Section 3 are of the essence and an integral part of this Agreement, and that, without such severance provisions, the parties would not enter into this Agreement. Therefore, if the Company, or any successor to the Company, breaches the terms of this Section 3 by failing or refusing pay or provide any of the severance payments or benefits owed to Executive in the amounts and/or according to the time periods set forth herein, Executive shall be entitled to two times (2x) the amount of severance payments and benefits that Executive would otherwise be entitled to receive pursuant to this Agreement according to the same terms set forth herein. The parties acknowledge and agree that any additional severance payments and benefits paid pursuant to this Section 3(e) constitute liquidated damages that would be incurred by Executive and that these additional severance payments and benefits are not a penalty, rather they are a reasonable amount intended as liquidated damages that will compensate Executive in the circumstances in which they are payable for the efforts and resources expended, and opportunities foregone, while negotiating and/or enforcing this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated by this Agreement, which amounts would otherwise be impossible to calculate with precision.

4. Conditions to Receipt of Severance

(a) Release of Claims Agreement. The receipt of any severance or other benefits pursuant to Section 3 will be subject to Executive signing and not revoking a general release of all

claims

in a form provided by the Company, and such release becoming effective and irrevocable no later than the sixtieth (60th) day following Executive's termination (such deadline, the "**Release Deadline**"). No severance or other benefits will be paid or provided pursuant to this Agreement until the release becomes effective and irrevocable. If the release does not become effective and irrevocable by the Release Deadline other than as a result of an act or omission of the Company, Executive will forfeit all rights to severance payments and benefits under this Agreement.

(b) Confidential Information Agreement and Other Requirements. Executive's receipt of any payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of the Confidential Information and Invention Assignment Agreement, which Executive acknowledges and agrees shall remain in full force and effect.

(c) Code Section 409A. For purposes of Section 409A of the Code, the regulations and other guidance there under and any state law of similar effect (collectively "**Section 409A**"), each payment that is paid pursuant to this Agreement is hereby designated as a separate payment. Further (i) no severance or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or benefits, are considered deferred compensation under Section 409A, will be paid or otherwise provided until Executive has had a "separation from service" within the meaning of Section 409A, (ii) no severance or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that are intended to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) will be paid or otherwise provided until Executive has had an "involuntary separation from service" within the meaning of Section 409A, and (iii) in the case of (i) and (ii), any reference in this Agreement to "termination" or "termination of employment" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A. The parties intend that all payments and benefits provided or to be provided under this Agreement comply with, or are exempt from, the requirements of Section 409A so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and any ambiguities herein will be interpreted to so comply or be so exempt. The Company and Executive agree to work together in good faith to consider amendments to this Agreement, and to take such reasonable actions, which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition under Section 409A before payments or benefits are provided to Executive. Any severance payments or benefits made in connection with Executive's termination under this Agreement and provided on or before the 15th day of the 3rd month following the end of Executive's first tax year in which Executive's termination occurs or, if later, the 15th day of the 3rd month following the end of the Company's first tax year in which Executive's termination occurs, shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(4) and any additional payments or benefits provided in connection with Executive's termination under this Agreement shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) (to the extent it is exempt pursuant to such section it will in any event be provided no later than the last day of Executive's 2nd taxable year following the taxable year in which Executive's termination occurs). Notwithstanding the foregoing, if any of the payments or benefits provided in connection with Executive's termination do not qualify for any reason to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(4), Treasury Regulation Section 1.409A-1(b)(9)(iii), or any other applicable exemption and Executive is, at the time of Executive's termination, a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i), each such payment or benefit will not be provided until the first regularly scheduled payroll date that occurs on or after the date six (6) months and one (1) day following Executive's termination and, on such date (or, if earlier, another date that occurs as soon as practicable after Executive's death), Executive will receive all payments and benefits that would have been provided during such period in a single lump sum, if applicable. In addition, notwithstanding any other provision herein to the contrary, to the extent that any reimbursements or in-kind benefits under this Agreement or otherwise constitute

non- exempt “nonqualified deferred compensation” within the meaning of Section 409A, then any such

reimbursements and/or benefits (i) shall be made or provided promptly but no later than December 31st of the calendar year following the year in which the expense was incurred by Executive, (ii) shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other calendar year, and (iii) shall not be subject to liquidation or exchange for another benefit.

5. Limitation on Payments. In the event that the severance benefits provided for in this Agreement and/or other payments and benefits otherwise provided to Executive (i) constitute “parachute payments” within the meaning of Section 280G of the Code and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then, at the election of Executive, Executive’s severance benefits under Section 3, and/or the other payments and benefits otherwise provided to Executive, will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits and other payments and benefits, notwithstanding that all or some portion of such severance benefits and other payments and benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company’s outside legal counsel or independent public accountants or other firm selected by the Company (the “**Firm**”), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 5. Any reduction made pursuant to this Section 5 shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock (“**Underwater Options**”) (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time).

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Base Salary Rate. For purposes of this Agreement, “**Base Salary Rate**” means Executive’s base salary rate as in effect immediately prior to the date of Executive’s termination of employment (provided, if Executive resigns as a result of Section 6(i) (ii), “Base Salary Rate” shall mean Executive’s base salary rate as in effect immediately prior to the reduction triggering Section 6(i)(ii)).

(b) Cause. For purposes of this Agreement, “**Cause**” shall mean the Executive’s: (i) breach of a fiduciary duty owed by the Executive to the Company or its respective shareholders; (ii) willful misconduct or gross negligence in the performance of the Executive’s material duties; (iii) the

failure to comply with the written, lawful instruction of the Board which are consistent with Executive's duties as Chief Medical Officer of the Company; (iv) fraud, embezzlement or other dishonesty with respect to the Company or its affiliates (but with respect to dishonesty, excluding the de minimis use of Company resources or services for personal reasons); (v) conviction, plea of nolo contendere, guilty plea, or confession to any felony or any crime based upon an act of fraud, embezzlement or moral turpitude (excepting any non-felony traffic offenses); (vi) the Executive being under the influence of alcohol during working hours or under the influence of controlled substances at any time unless taken pursuant to a valid prescription provided by a medical professional (excepting alcohol consumed at a Company party or similar social event), or (vii) a material breach of this Agreement, provided that with respect to conduct subject to (ii), (iii), (vi) or (vii), if curable, shall not constitute Cause unless the Board has (A) determined by the affirmative vote of a majority of the entire Board that Cause exists and (B) provided the Executive with written notice of the acts or omissions giving rise to a termination of his employment for Cause and the Executive fails to correct the act or omission within thirty (30) days after receiving the Company's notice (the "**Cure Period**").

(c) Code. For purposes of this Agreement, "**Code**" means the Internal Revenue Code of 1986, as amended.

(d) Change in Control. For purposes of this Agreement, "**Change in Control**" shall have the meaning set forth in the Plan.

(e) Change in Control Period. For purposes of this Agreement, "**Change in Control Period**" means the period beginning three (3) months prior to, and ending eighteen (18) months following, a Change in Control.

(f) Disability. For purposes of this Agreement, "**Disability**" means total and permanent disability as defined in Section 22(e) (3) of the Code.

(g) Equity Award. For purposes of this Agreement, "**Equity Award**" means each then outstanding award relating to the Company's common stock (whether stock options, stock appreciation rights, shares of restricted stock, restricted stock units, performance shares, performance units or other similar awards).

(h) Full Credit Payment. For purposes of this Agreement, "**Full Credit Payment**" means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax.

(i) Good Reason. For purposes of this Agreement, resignation for "**Good Reason**" means Executive's resignation due to the occurrence of any of the following conditions which occurs without Executive's written consent, provided that the requirements regarding advance notice and an opportunity to cure set forth below are satisfied:

(i) One or more adverse changes to Executive's authority, duties or responsibilities that, individually or taken as a whole, results in a material diminution in Executive's authority, duties or responsibilities in effect prior to such change or changes;

(ii) A 10% or more reduction in Executive's base salary from its highest level or a 10% or more reduction in Executive's base compensation (including base salary and target bonus) from its highest level;

(iii) The Company conditions Executive's continued service with the Company on the relocation of Executive's principal work location to a location that is more than twenty (20) miles from Executive's then current principal work location and such relocation results in an increase in Executive's one-way commuting distance from Executive's home by twenty (20) miles or more;

(iv) The failure of the Company to obtain the assumption of this Agreement by any successor to the Company; or

(v) Any material breach or material violation of a material provision of this Agreement by the Company (or any successor to the Company).

In order for Executive to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason condition within ninety (90) days of his discovery of existence of such Good Reason condition. Upon receipt of such notice, the Company will have thirty (30) days during which it may remedy the Good Reason condition and not be required to provide the severance payments and benefits described herein as a result of such proposed resignation; provided that the Company's cure right shall be no more than ten (10) days for the failure to pay any compensation to Executive when due. If the Good Reason condition is not remedied within the applicable cure period, Executive may resign based on the Good Reason condition specified in the notice effective no later than ninety (90) days following the expiration of the applicable cure period.

(j) Partial Credit Payment. For purposes of this Agreement, "**Partial Credit Payment**" means any payment, distribution or benefit that is not a Full Credit Payment. In no event shall Executive have any discretion with respect to the ordering of payment reductions.

(k) Plan. For purposes of this Agreement, "**Plan**" means the Company's 2019 Equity Incentive Plan.

7. Successors.

(a) Company Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any such successor to the Company's business and/or assets.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when

mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to Executive at the home address which Executive most recently

communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of the Company's Secretary (or, if Executive is the Company's Secretary, any other executive officer of the Company).

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason or as a result of a voluntary resignation will be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date.

9. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

(b) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of Colorado (with the exception of its conflict of law provisions).

(e) Legal Fees. In the event of litigation with respect to this Agreement the substantially prevailing party shall be entitled to recover his or its legal fees and expenses.

(f) Entire Agreement. This Agreement represents the entire agreement and understanding between the parties hereto and supersedes all prior or contemporaneous agreements with respect to the subject matter of this Agreement. Further, this Agreement supersedes in their entirety any and all prior offer letters or employment agreements entered into by and between Executive and the Company, which offer letters and employment agreements shall be null and void. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise, or understanding that is not in this Agreement. To the extent that any provisions of this Agreement conflict with those of any other agreement between Executive and the Company, the terms in this Agreement will prevail.

(g) Severability. In the event that any provision or any portion of any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision or portion of provision. The remainder of this Agreement shall be interpreted so as best to give effect to the intent of the Company

and Executive.

(h) Taxes, Withholding and Required Deductions. All payments and, if applicable, benefits made pursuant to this Agreement will be subject to all applicable taxes, withholding of taxes, and any other required deductions.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile or scanned copy will have the same force and effect as execution of an original, and a facsimile or scanned signature will be deemed an original and valid signature.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the date first set forth above.

THE COMPANY:

CORTEXYME, INC.

Christopher Lowe

By: _____
Name: Christopher Lowe

Title: Interim Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, Director

EXECUTIVE

DocuSigned by:
Karen Smith
30FE27FCF06E443

(Signature)

By: Karen Smith Date: May 9, 2022

CORTEXYME, INC.

EXECUTIVE CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This Executive Change in Control and Severance Agreement (the “*Agreement*”) is made and entered into by and between Dirk Thye, MD (“*Executive*”) and Cortexyme, Inc. (the “*Company*”), effective as of May [19], 2022 (the “*Effective Date*”).

RECITALS

1. The Board of Directors of the Company (the “*Board*”) has determined that it is in the best interest of the Company and its stockholders to provide certain payments and benefits in connection with certain terminations of Executive’s employment with the Company, including certain terminations that occur in connection with a Change in Control.
2. Capitalized terms used in this Agreement and not otherwise defined herein are defined in Section 6 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. At-Will Employment. The Company and Executive acknowledge that Executive’s employment is and will continue to be at-will, as defined under applicable law.
2. Rights Upon Termination. Except as expressly provided in Section 3, upon the termination of Executive’s employment, Executive shall only be entitled to: (i) all earned but unpaid salary, all accrued but unpaid vacation and all other earned but unpaid compensation or wages, (ii) any unreimbursed business expenses incurred by Executive on or before the termination date and which are reimbursable under the Company’s business expense reimbursement policies, which will be paid to Executive promptly following Executive’s submission of any required receipts and other documentation to the Company in accordance with the Company’s business expense reimbursement policies, provided such receipts and documents are received by the Company within forty-five (45) days after the date of Executive’s termination, and (iii) such other compensation or benefits due to Executive under any Company-provided retirement, health or equity plans, policies, and arrangements or as otherwise required by law (collectively, the “*Accrued Benefits*”).
3. Severance Benefits.

(a) Termination without Cause or Resignation for Good Reason outside of Change in Control Period. If, outside of the Change in Control Period, the Company (or any parent, subsidiary or successor of the Company) terminates Executive’s employment without Cause or Executive resigns for Good Reason, then, subject to Section 4 below, Executive will receive the following severance benefits from the Company:

(i) Base Salary Severance. Executive will receive base salary severance in an amount equal to twelve (12) months of base salary at Executive’s Base Salary Rate. The base salary severance shall be paid to Executive at Executive’s Base Salary Rate in accordance with the Company’s

normal payroll practices on the Company’s regularly scheduled payroll dates commencing with the first regularly scheduled payroll date that occurs at least 8 days following the Release Deadline, with the first payment being equal to the number of business days between Executive’s last day of employment and the date of the first payment multiplied by Executive’s daily Base Salary Rate.

(ii) Target Annual Bonus Severance. Executive will receive a target annual bonus severance

payment in an amount equal to one hundred percent (100%) of Executive's target annual bonus opportunity for the year in which the termination occurs, but pro-rated to the effective date of termination. The target annual bonus severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the termination of Executive's employment.

(iii) Benefits Severance. Executive will receive a benefits severance payment in an amount equal to twelve (12) months' of the monthly premiums that would be due for continuation coverage under Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), if Executive were to elect COBRA continuation coverage for Executive and Executive's eligible dependents (based on the coverage levels in effect immediately prior to Executive's termination or resignation and based on the premium amount that would be due for the first month of COBRA coverage if Executive were to elect such COBRA continuation coverage). The benefits severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline and will be made, subject to all applicable taxes and required withholdings, and regardless of whether Executive elects COBRA continuation coverage.

(iv) Equity Awards. Executive shall vest in any outstanding Equity Awards that are unvested as of Executive's termination of employment as follows: in the case of any outstanding Equity Awards that are subject to time-based vesting, 50% of any outstanding Equity Awards, and in the case of any outstanding Equity Awards that are subject to performance-based vesting, all performance goals and other vesting criteria generally will be deemed achieved at 50% of target levels as of the Executive's termination of employment. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement.

(b) Termination without Cause or Resignation for Good Reason during Change in Control Period. If, during the Change in Control Period, (i) the Company (or any parent, subsidiary or successor of the Company) terminates Executive's employment without Cause or (ii) Executive resigns Executive's employment with the Company (or any parent, subsidiary or successor of the Company) for Good Reason, then, subject to Section 4 below, Executive will receive the following severance benefits from the Company:

(i) Base Salary Severance. Executive will receive a base salary severance payment in an amount equal to eighteen (18) months of base salary at Executive's Base Salary Rate. The base salary severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline.

(ii) Target Annual Bonus Severance. Executive will receive a target annual bonus severance payment in an amount equal to one hundred fifty percent (150%) of Executive's target annual bonus opportunity for the year in which the termination occurs, but pro-rated to the effective date of termination. The target annual bonus severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline.

(iii) Benefits Severance. Executive will receive a benefits severance payment in an amount equal to eighteen (18) months of the monthly premiums that would be due for continuation coverage under COBRA if Executive were to elect COBRA continuation coverage for Executive and

Executive's eligible dependents (based on the coverage levels in effect immediately prior to Executive's termination or resignation and based on the premium amount that would be due for the first month of COBRA coverage if Executive were to elect such COBRA continuation coverage). The benefits severance payment shall be paid to Executive in a single lump-sum within thirty (30) days following the Release Deadline and will be made, subject to all applicable taxes and required withholdings, and regardless of whether Executive elects COBRA continuation coverage.

(iv) Equity Awards. Executive shall vest in any outstanding Equity Awards that are unvested as of Executive's termination of employment as follows: in the case of any outstanding Equity Awards that are subject to time-based vesting, 100% of any outstanding Equity Awards, and in the case of any outstanding Equity Awards that are subject to performance-based vesting, all performance goals and other vesting criteria generally will be deemed achieved at 100% of target levels (the "Vesting Acceleration") as of the later of Executive's termination of employment or the Change in Control. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement. Notwithstanding anything stated herein or elsewhere to the contrary, if the successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue any then outstanding Equity Awards at the time of a Change in Control, Executive shall receive the Vesting Acceleration as of immediately prior to

and contingent upon the Change in Control unless Executive's employment with the Company (or any parent, subsidiary or successor of the Company) terminates due to Executive's resignation without Good Reason or by the Company for Cause.

(c) Resignation; Termination for Cause. If Executive's employment with the Company is terminated at any time (i) by Executive other than for Good Reason, or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits pursuant to this Agreement except for the Accrued Benefits.

(d) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability where Executive is no longer willing or able to continue performing services for the Company, or Executive's employment terminates due to Executive's death, then Executive will not be entitled to receive severance or other benefits pursuant to this Agreement except for the Accrued Benefits.

(e) Breach. The parties acknowledge that Executive's entitlement to the severance payments and benefits contained in this Section 3 are of the essence and an integral part of this Agreement, and that, without such severance provisions, the parties would not enter into this Agreement. Therefore, if the Company, or any successor to the Company, breaches the terms of this Section 3 by failing or refusing pay or provide any of the severance payments or benefits owed to Executive in the amounts and/or according to the time periods set forth herein, Executive shall be entitled to two times (2x) the amount of severance payments and benefits that Executive would otherwise be entitled to receive pursuant to this Agreement according to the same terms set forth herein. The parties acknowledge and agree that any additional severance payments and benefits paid pursuant to this Section 3(e) constitute liquidated damages that would be incurred by Executive and that these additional severance payments and benefits are not a penalty, rather they are a reasonable amount intended as liquidated damages that will compensate Executive in the circumstances in which they are payable for the efforts and resources expended, and opportunities foregone, while negotiating and/or enforcing this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated by this Agreement, which amounts would otherwise be impossible to calculate with precision.

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance or other benefits pursuant to Section 3 will be subject to Executive signing and not revoking a general release of all claims

in a form provided by the Company, and such release becoming effective and irrevocable no later than the sixtieth (60th) day following Executive's termination (such deadline, the "**Release Deadline**"). No severance or other benefits will be paid or provided pursuant to this Agreement until the release becomes effective and irrevocable. If the release does not become effective and irrevocable by the Release Deadline other than as a result of an act or omission of the Company, Executive will forfeit all rights to severance payments and benefits under this Agreement.

(b) Confidential Information Agreement and Other Requirements. Executive's receipt of any payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of the Confidential Information and Invention Assignment Agreement, which Executive acknowledges and agrees shall remain in full force and effect.

(c) Code Section 409A. For purposes of Section 409A of the Code, the regulations and other guidance there under and any state law of similar effect (collectively "**Section 409A**"), each payment that is paid pursuant to this Agreement is hereby designated as a separate payment. Further (i) no severance or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that, when considered together with any other severance payments or benefits, are considered deferred compensation under Section 409A, will be paid or otherwise provided until Executive has had a "separation from service" within the meaning of Section 409A, (ii) no severance or benefits to be paid or provided to Executive, if any, pursuant to this Agreement that are intended to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) will be paid or otherwise provided until Executive has had an "involuntary separation from service" within the meaning of Section 409A, and (iii) in the case of (i) and (ii), any reference in this Agreement to "termination" or "termination of employment" or any similar term shall be construed to mean a "separation from service" within the meaning of Section 409A. The parties intend that all payments and benefits provided or to be provided under this Agreement comply with, or are exempt from, the requirements of Section 409A so that none of the payments or benefits will be subject to the adverse tax penalties imposed under Section 409A, and

any ambiguities herein will be interpreted to so comply or be so exempt. The Company and Executive agree to work together in good faith to consider amendments to this Agreement, and to take such reasonable actions, which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition under Section 409A before payments or benefits are provided to Executive. Any severance payments or benefits made in connection with Executive's termination under this Agreement and provided on or before the 15th day of the 3rd month following the end of Executive's first tax year in which Executive's termination occurs or, if later, the 15th day of the 3rd month following the end of the Company's first tax year in which Executive's termination occurs, shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(4) and any additional payments or benefits provided in connection with Executive's termination under this Agreement shall be exempt from Section 409A to the maximum extent permitted pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii) (to the extent it is exempt pursuant to such section it will in any event be provided no later than the last day of Executive's 2nd taxable year following the taxable year in which Executive's termination occurs). Notwithstanding the foregoing, if any of the payments or benefits provided in connection with Executive's termination do not qualify for any reason to be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(4), Treasury Regulation Section 1.409A-1(b)(9)(iii), or any other applicable exemption and Executive is, at the time of Executive's termination, a "specified employee," as defined in Treasury Regulation Section 1.409A-1(i), each such payment or benefit will not be provided until the first regularly scheduled payroll date that occurs on or after the date six (6) months and one (1) day following Executive's termination and, on such date (or, if earlier, another date that occurs as soon as practicable after Executive's death), Executive will receive all payments and benefits that would have been provided during such period in a single lump sum, if applicable. In addition, notwithstanding any other provision herein to the contrary, to the extent that any reimbursements or in-kind benefits under this Agreement or otherwise constitute non-exempt "nonqualified deferred compensation" within the meaning of Section 409A, then any such

reimbursements and/or benefits (i) shall be made or provided promptly but no later than December 31st of the calendar year following the year in which the expense was incurred by Executive, (ii) shall not in any way affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other calendar year, and (iii) shall not be subject to liquidation or exchange for another benefit.

5. Limitation on Payments. In the event that the severance benefits provided for in this Agreement and/or other payments and benefits otherwise provided to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code, then, at the election of Executive, Executive's severance benefits under Section 3, and/or the other payments and benefits otherwise provided to Executive, will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits and other payments and benefits, notwithstanding that all or some portion of such severance benefits and other payments and benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 5 will be made in writing by the Company's outside legal counsel or independent public accountants or other firm selected by the Company (the "**Firm**"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 5, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs the Firm may reasonably incur in connection with any calculations contemplated by this Section 5. Any reduction made pursuant to this Section 5 shall be made in accordance with the following order of priority: (i) stock options whose exercise price exceeds the fair market value of the optioned stock ("**Underwater Options**") (ii) Full Credit Payments (as defined below) that are payable in cash, (iii) non-cash Full Credit Payments that are taxable, (iv) non-cash Full Credit Payments that are not taxable (v) Partial Credit Payments (as defined below) and (vi) non-cash employee welfare benefits. In each case, reductions shall be made in reverse chronological order such that the payment or benefit owed on the latest date following

the occurrence of the event triggering the excise tax will be the first payment or benefit to be reduced (with reductions made pro-rata in the event payments or benefits are owed at the same time).

6. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Base Salary Rate. For purposes of this Agreement, “**Base Salary Rate**” means Executive’s base salary rate as in effect immediately prior to the date of Executive’s termination of employment (provided, if Executive resigns as a result of Section 6(i)(ii), “Base Salary Rate” shall mean Executive’s base salary rate as in effect immediately prior to the reduction triggering Section 6(i)(ii)).

(b) Cause. For purposes of this Agreement, “**Cause**” shall mean the Executive’s: (i) breach of a fiduciary duty owed by the Executive to the Company or its respective shareholders; (ii) willful misconduct or gross negligence in the performance of the Executive’s material duties; (iii) the Executive’s

failure to comply with the written, lawful instruction of the Board which are consistent with Executive’s duties as Chief Executive Officer of the Company; (iv) fraud, embezzlement or other dishonesty with respect to the Company or its affiliates (but with respect to dishonesty, excluding the de minimis use of Company resources or services for personal reasons); (v) conviction, plea of nolo contendere, guilty plea, or confession to any felony or any crime based upon an act of fraud, embezzlement or moral turpitude (excepting any non-felony traffic offenses); (vi) the Executive being under the influence of alcohol during working hours or under the influence of controlled substances at any time unless taken pursuant to a valid prescription provided by a medical professional (excepting alcohol consumed at a Company party or similar social event), or (vii) a material breach of this Agreement, provided that with respect to conduct subject to (ii), (iii), (vi) or (vii), if curable, shall not constitute Cause unless the Board has (A) determined by the affirmative vote of a majority of the entire Board that Cause exists and (B) provided the Executive with written notice of the acts or omissions giving rise to a termination of his employment for Cause and the Executive fails to correct the act or omission within thirty (30) days after receiving the Company’s notice (the “**Cure Period**”).

(c) Code. For purposes of this Agreement, “**Code**” means the Internal Revenue Code of 1986, as amended.

(d) Change in Control. For purposes of this Agreement, “**Change in Control**” shall have the meaning set forth in the Plan.

(e) Change in Control Period. For purposes of this Agreement, “**Change in Control Period**” means the period beginning three (3) months prior to, and ending eighteen (18) months following, a Change in Control.

(f) Disability. For purposes of this Agreement, “**Disability**” means total and permanent disability as defined in Section 22(e) (3) of the Code.

(g) Equity Award. For purposes of this Agreement, “**Equity Award**” means each then outstanding award relating to the Company’s common stock (whether stock options, stock appreciation rights, shares of restricted stock, restricted stock units, performance shares, performance units or other similar awards).

(h) Full Credit Payment. For purposes of this Agreement, “**Full Credit Payment**” means a payment, distribution or benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that if reduced in value by one dollar reduces the amount of the parachute payment (as defined in Section 280G of the Code) by one dollar, determined as if such payment, distribution or benefit had been paid or distributed on the date of the event triggering the excise tax.

(i) Good Reason. For purposes of this Agreement, resignation for “**Good Reason**” means Executive’s resignation due to the occurrence of any of the following conditions which occurs without Executive’s written consent, provided that the requirements regarding advance notice and an opportunity to cure set forth below are satisfied:

(i) One or more adverse changes to Executive’s authority, duties or responsibilities that, individually or taken as a whole, results in a material diminution in Executive’s authority, duties or responsibilities in effect prior to such change or changes;

- (ii) A 10% or more reduction in Executive's base salary from its highest level or a 10% or more reduction in Executive's base compensation (including base salary and target bonus) from its highest level;
- (iii) The Company conditions Executive's continued service with the Company on the relocation of Executive's principal work location to a location that is outside the San Francisco Bay Area;
- (iv) The failure of the Company to obtain the assumption of this Agreement by any successor to the Company; or
- (v) Any material breach or material violation of a material provision of this Agreement by the Company (or any successor to the Company).

In order for Executive to resign for Good Reason, Executive must provide written notice to the Company of the existence of the Good Reason condition within ninety (90) days of his discovery of existence of such Good Reason condition. Upon receipt of such notice, the Company will have thirty (30) days during which it may remedy the Good Reason condition and not be required to provide the severance payments and benefits described herein as a result of such proposed resignation; provided that the Company's cure right shall be no more than ten (10) days for the failure to pay any compensation to Executive when due. If the Good Reason condition is not remedied within the applicable cure period, Executive may resign based on the Good Reason condition specified in the notice effective no later than ninety (90) days following the expiration of the applicable cure period.

(j) Partial Credit Payment. For purposes of this Agreement, "**Partial Credit Payment**" means any payment, distribution or benefit that is not a Full Credit Payment. In no event shall Executive have any discretion with respect to the ordering of payment reductions.

(k) Plan. For purposes of this Agreement, "**Plan**" means the Company's 2019 Equity Incentive Plan.

7. Successors.

(a) Company Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any such successor to the Company's business and/or assets.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

8. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to Executive at the home address which Executive most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed

to its corporate headquarters, and all notices will be directed to the attention of the Company's Secretary (or, if Executive is the Company's Secretary, any other executive officer of the Company).

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good

Reason or as a result of a voluntary resignation will be communicated by a notice of termination to the other party hereto given in accordance with Section 8(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date.

9. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any earnings that Executive may receive from any other source reduce any such payment.

(b) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of California (with the exception of its conflict of law provisions).

(e) Legal Fees. In the event of litigation with respect to this Agreement the substantially prevailing party shall be entitled to recover his or its legal fees and expenses.

(f) Entire Agreement. This Agreement represents the entire agreement and understanding between the parties hereto and supersedes all prior or contemporaneous agreements with respect to the subject matter of this Agreement. Further, this Agreement supersedes in their entirety any and all prior offer letters or employment agreements entered into by and between Executive and the Company, which offer letters and employment agreements shall be null and void. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement. In entering into this Agreement, no party has relied on or made any representation, warranty, inducement, promise, or understanding that is not in this Agreement. To the extent that any provisions of this Agreement conflict with those of any other agreement between Executive and the Company, the terms in this Agreement will prevail.

(g) Severability. In the event that any provision or any portion of any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without said provision or portion of provision. The remainder of this Agreement shall be interpreted so as best to give effect to the intent of the Company and Executive.

(h) Taxes, Withholding and Required Deductions. All payments and, if applicable, benefits made pursuant to this Agreement will be subject to all applicable taxes, withholding of taxes, and any other required deductions.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile or scanned copy will have the same force and effect as execution of an original, and a facsimile or scanned signature will be deemed an original and valid signature.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the date first set forth above.

THE COMPANY:

CORTEXYME, INC.

By: Christopher Lowe
Name: Christopher Lowe

Title: Interim Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, Director

EXECUTIVE

DocuSigned by:
Dirk Thye
7017120764404AE

(Signature)

By: Dirk Thye, MD Date: May 8,
2022

CORTEXYME, INC.

June 10, 2022

Christopher Lowe
VIA EMAIL (clowe@cortexyme.com)

Dear Chris:

This letter sets forth the substance of the separation agreement (the “**Agreement**”) that Cortexyme, Inc. (the “**Company**”) is offering to you to aid in your employment transition.

1. Separation. Your last day of work with the Company and your employment termination date will be June 10, 2022 (the “**Separation Date**”). Between now and the Separation Date, you must continue to abide by your continued contractual and statutory obligations to the Company and the Company’s policies.

2. Final Pay. On or shortly after the Separation Date, the Company will pay you all accrued salary and all accrued and unused paid time off (PTO) earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to this payment regardless of whether or not you sign this Agreement.

3. Severance Payment. If you timely sign, date and return this fully executed Agreement to the Company, allow it to become effective, and comply with your obligations under it (the “**Severance Preconditions**”), then the Company will deem your employment termination to be a termination without Cause outside of the Change in Control Period pursuant to that certain Executive Change in Control and Severance Agreement between you and the Company, dated May 18, 2020 (the “**Severance Agreement**”), and accordingly, the Company will pay you, as severance, the equivalent of nine (9) months of your base salary in effect as of the Separation Date (in the total amount of \$354,750), subject to standard payroll deductions and withholdings (the “**Base Salary Severance**”). This amount will be paid in accordance with the Company’s normal payroll practices on the Company’s regularly scheduled payroll dates commencing with the first regularly scheduled payroll date that occurs at least 8 days following the Effective Date. You hereby request and authorize the Company to pay you this severance payment by direct deposit to the account specified by you during your employment.

4. Health Insurance. Your participation in the Company’s group health insurance plan will end on the last day of the month in which the Separation Date occurs. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company’s current group health insurance policies, you may be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company’s health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations under COBRA and a form for electing COBRA coverage. As an additional severance benefit, subject to satisfaction of the Severance Preconditions, and provided that you timely elect continued coverage under COBRA, then the Company will pay directly the COBRA premiums required to continue your health insurance coverage (including coverage for eligible

Page 2

dependents, if applicable) through the period starting on the Separation Date and ending on the earliest to occur of: (a) nine (9) months after the last day of the month in which the Separation Date occurs; (b) the date you become eligible for group health insurance coverage through a new employer; or (c) the date you cease to be eligible for COBRA coverage for any reason (the “**COBRA Premiums**”). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA Premiums without a substantial risk of violating applicable law, then the Company instead shall pay you a fully taxable cash payment equal to the remaining COBRA Premiums due under this

Section, subject to applicable tax withholdings, which you may, but are not obligated to, use toward the cost of COBRA premiums.

5. Equity Awards. Under the terms of your stock option, restricted stock award, and any other equity award agreement and the applicable plan documents, vesting of any potential stock options or other equity awards granted to you, if any (the “**Equity Awards**”) will cease as of the Separation Date. Subject to satisfaction of the Severance Preconditions, the Company will:

(a) accelerate vesting of your restricted stock award issued to you on March 3, 2022 (the “**RSA**”) such that 100% of the shares subject to the RSA will be deemed vested and exercisable as of the Separation Date; and (b) the period of time within which you may exercise any vested Equity Awards will be extended until the date that is twelve (12) months after the Separation Date. Except as expressly set forth in this paragraph, your Equity Awards will continue to be governed by the terms and conditions of the applicable stock option or other equity award agreement, applicable plan documents, and other equity awards documents.

6. Eligibility for CIC Severance Benefits. You will be eligible for increased severance benefits (the “**CIC Severance Benefits**”) in the event that the Company experiences a Change in Control (as defined in the Severance Agreement) within three (3) months after the Separation Date. Specifically, subject to satisfaction of the Severance Preconditions, in the event that the Company experiences a Change in Control after June 10, 2022 but on or before September 10, 2022, then: (a) the Base Salary Severance set forth in Section 4 above will increase from nine (9) months to twelve (12) months of your base salary; (b) the potential COBRA Premiums set forth in Section 5(a) above will increase from nine

(9) months to twelve (12) months; (c) the Company will pay you an additional cash severance payment in an amount equal to one hundred percent (100%) of your target annual bonus opportunity for 2022; and (d) the Company will accelerate 100% of any outstanding Equity Awards that are subject to time-based vesting (the “**Vesting Acceleration**”) as of the effective date of the Change in Control. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Awards agreements and documents. Notwithstanding anything stated herein or elsewhere to the contrary, if the successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue any then outstanding Equity Awards at the time of a Change in Control, you shall receive the Vesting Acceleration as of immediately prior to and contingent upon the Change in Control. In the event that you become eligible for the CIC Severance Benefits after the severance benefits set forth in Section 4 and 5 herein have already been paid to you, then the Company will pay you the difference between the CIC Severance Benefits and the severance benefits previously paid to you, within fifteen (15) business days after the effective date of the Change in Control. For the avoidance of doubt, under no circumstances will you be eligible for the full severance benefits set forth in Sections 4 and 5 and the CIC Severance Benefits.

7. No Other Compensation or Benefits. You acknowledge and agree that the benefits offered to you herein fulfill and exceed all of the Company’s obligations to pay you any severance benefits in connection with your employment termination, pursuant to your Severance Agreement and any

Page 3

other agreement, plan or policy. By executing this Agreement, you further agree and acknowledge that the Company’s obligations to provide you any and all severance benefits, other than as set forth in this Agreement, are hereby extinguished. You further acknowledge that, except as expressly provided in this Agreement, you have not earned, will not earn by the Separation Date, and will not receive from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits before or after the Separation Date, with the exception of any vested right you may have under the express terms of a written ERISA-qualified benefit plan (e.g., 401(k) account) or any vested stock options.

8. Expense Reimbursements. You agree that, within ten (10) calendar days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

9. Return of Company Property. Within five (5) calendar days after the Separation Date (or earlier if

requested by the Company), you will return to the Company all Company documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, password and account information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer- recorded information, tangible property and equipment (including, but not limited to, your Company- provided laptop, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within five (5) calendar days after the Separation Date (or earlier if requested by the Company), you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. **Your timely compliance with this paragraph is a condition to your receipt of the severance benefits provided under this Agreement.**

10. Proprietary Information Obligations. You acknowledge and reaffirm your continuing obligations under your Confidential Information and Invention Assignment Agreement, a copy of which is attached hereto as *Exhibit A*.

11. Confidentiality. The provisions of this Agreement will be held in strictest confidence by you and will not be publicized or disclosed by you in any manner whatsoever; *provided, however*, that: (a) you may disclose this Agreement in confidence to your immediate family and to your attorneys, accountants, tax preparers and financial advisors; (b) you may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law; and (c) you may make statements and disclosures as permitted under the section of this Agreement entitled "Protected Rights." In particular, and without limitation, you agree not to disclose the terms of this Agreement to any current or former Company employee or independent contractor.

Page 4

12. Non-disparagement. You agree not to disparage the Company, its officers, directors, employees, shareholders, parents, subsidiaries, affiliates, and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation. The Company agrees to instruct its officers and directors to not to make any defamatory comments about you, your character, traits, qualifications, skills, experience or job performance. Notwithstanding the foregoing in this paragraph, you and the Company (including its officers and directors) may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain any party in any manner from making disclosures protected under the whistleblower provisions of federal or state law or regulation or other applicable law or regulation, nor from making statements and disclosures as set forth in the section of this Agreement entitled "Protected Rights."

13. No Voluntary Adverse Action. You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the Protected Rights section below) assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents.

14. Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs.

15. No Admissions. You understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or to any other person, and that the Company makes no such admission.

16. Release of Claims. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement. This general release includes, but is not limited to: (a) all claims arising from or in any way related to your employment with the Company or the termination of that employment; (b) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (the "ADEA"), the

Page 5

California Labor Code (as amended), the California Family Rights Act and the California Fair Employment and Housing Act (as amended). Notwithstanding the foregoing, you are not releasing the Company hereby from: (i) any obligation to indemnify you pursuant to the Articles and Bylaws of the Company, any valid fully executed indemnification agreement with the Company, or applicable law; (ii) any rights you have to file or pursue a claim for workers' compensation or unemployment insurance; (iii) any claims that cannot be waived by law; or (iv) any claims for breach of this Agreement.

17. Release Acknowledgements. You acknowledge that you have been advised, as required by California Government Code Section 12964.5(b)(4), that you have a right to consult an attorney regarding this Agreement and that you were given a reasonable time period of not less than five (5) business days in which to do so. You further acknowledge and agree that, in the event you sign this Agreement prior to the end of the reasonable time period, your decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing different terms to employees who sign such an agreement prior to the expiration of the time period.

18. ADEA Release. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you have under the ADEA, and that the consideration given for the waiver and releases you have given in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (a) your waiver and release does not apply to any rights or claims arising after the date you sign this Agreement; (b) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (c) you have twenty-one (21) days to consider this Agreement (although you may choose voluntarily to sign it sooner); (d) you have seven (7) days following the date you sign this Agreement to revoke this Agreement (in a written revocation sent to the chief executive officer of the Company); and (e) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the "Effective Date").

19. Section 1542 Waiver. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of claims herein, including but not limited to your release of unknown claims.

20. Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission (“**Government Agencies**”). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or

Page 6

proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

21. Representations. You hereby represent that you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act, the California Family Rights Act, or otherwise; and not suffered any on-the-job injury for which you have not already filed a workers’ compensation claim.

22. Miscellaneous. This Agreement, including Exhibit A, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to its subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

[Signature page to follow]

Page 7

If this Agreement is acceptable to you, please sign below and return the original to me. **You have twenty- one (21) calendar days to decide whether to accept this Agreement, and the Company’s offer contained herein will automatically expire if you do not sign and return it within that timeframe.**

We wish you the best in your future endeavors. Sincerely,

By: Dirk Thye
Dirk Thye
Chief Executive Officer

I HAVE READ, UNDERSTAND AND AGREE FULLY TO THE FOREGOING AGREEMENT:

Christopher Lowe
Christopher Lowe

June 8, 2022

Date

EXHIBIT A

CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

CORTEXYME, INC.

**CONFIDENTIAL INFORMATION AND INVENTION
ASSIGNMENT AGREEMENT**

Employee Name: Christopher Lowe

Effective Date: January 3, 2019

As a condition of my becoming employed (or my employment being continued) by Cortexyme, Inc., a Delaware corporation, or any of its current or future subsidiaries, affiliates, successors or assigns (collectively, the "Company"), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, I agree to the following:

1. **Relationship.** This Confidential Information and Invention Assignment Agreement (this "Agreement") will apply to my employment relationship with the Company. If that relationship ends and the Company, within a year thereafter, either reemploys me or engages me as a consultant, I agree that this Agreement will also apply to such later employment or consulting relationship, unless the Company and I otherwise agree in writing. Any such employment or consulting relationship between the parties hereto, whether commenced prior to, upon or after the date of this Agreement, is referred to herein as the "Relationship."

2. **Duties.** I will perform for the Company such duties as may be designated by the Company from time to time or that are otherwise within the scope of the Relationship and not contrary to instructions from the Company. During the Relationship, I will devote my entire best business efforts to the interests of the Company and will not engage in other employment or in any activities detrimental to the best interests of the Company without the prior written consent of the Company.

3. **Confidential Information.**

(a) **Protection of Information.** I understand that during the Relationship, the Company intends to provide me with information, including Confidential Information (as defined below), without which I would not be able to perform my duties to the Company. I agree, at all times during the term of the Relationship and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company to the extent necessary to perform my obligations to the Company under the Relationship, and not to disclose to any person, firm, corporation or other entity, without written authorization from the Company in each instance, any Confidential Information that I obtain, access or create during the term of the Relationship, whether or not during working hours, until such Confidential Information becomes publicly and widely known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved. I further agree not to make copies of such Confidential Information except as authorized by the Company.

(b) **Confidential Information.** I understand that “Confidential Information” means information and physical material not generally known or available outside the Company

and information and physical material entrusted to the Company in confidence by third parties. Confidential Information includes, without limitation: (i) Company Inventions (as defined below); and (ii) technical data, trade secrets, know-how, research, product or service ideas or plans, software codes and designs, algorithms, developments, inventions, patent applications, laboratory notebooks, processes, formulas, techniques, biological materials, mask works, engineering designs and drawings, hardware configuration information, agreements with third parties, lists of, or information relating to, employees and consultants of the Company (including, but not limited to, the names, contact information, jobs, compensation, and expertise of such employees and consultants), lists of, or information relating to, suppliers and customers (including, but not limited to, customers of the Company on whom I called or with whom I became acquainted during the Relationship), price lists, pricing methodologies, cost data, market share data, marketing plans, licenses, contract information, business plans, financial forecasts, historical financial data, budgets or other business information disclosed to me by the Company either directly or indirectly, whether in writing, electronically, orally, or by observation.

(c) **Third Party Information.** My agreements in this Section 3 are intended to be for the benefit of the Company and any third party that has entrusted information or physical material to the Company in confidence. I further agree that, during the term of the Relationship and thereafter, I will not improperly use or disclose to the Company any confidential, proprietary or secret information of my former employer(s) or any other person, and I agree not to bring any such information onto the Company’s property or place of business.

(d) **Other Rights.** This Agreement is intended to supplement, and not to supersede, any rights the Company may have in law or equity with respect to the protection of trade secrets or confidential or proprietary information.

4. **Ownership of Inventions.**

(a) **Inventions Retained and Licensed.** I have attached hereto, as Exhibit A, a complete list describing with particularity all Inventions (as defined below) that, as of the Effective Date: (i) I made, and/or (ii) belong solely to me or belong to me jointly with others or in which I have an interest, and that relate in any way to any of the Company’s actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached, I represent that there are no such Inventions at the time of signing this Agreement, and to the extent such Inventions do exist and are not listed on Exhibit A, I hereby forever waive any and all rights or claims of

ownership to such Inventions. I understand that my listing of any Inventions on Exhibit A does not constitute an acknowledgement by the Company of the existence or extent of such Inventions, nor of my ownership of such Inventions. I further understand that I must receive the formal approval of the Company before commencing my Relationship with the Company.

(b) **Use or Incorporation of Inventions.** If in the course of the Relationship, I use or incorporate into a product, service, process or machine any Invention not covered by Section 4(d) of this Agreement in which I have an interest, I will promptly so inform the Company in writing. Whether or not I give such notice, I hereby irrevocably grant to the Company a nonexclusive, fully paid-up, royalty-free, assumable, perpetual, worldwide license, with right to transfer and to sublicense, to practice and exploit such Invention and to make, have

made, copy, modify, make derivative works of, use, sell, import, and otherwise distribute such Invention under all applicable intellectual property laws without restriction of any kind.

(c) **Inventions.** I understand that "Inventions" means discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets and/or original works of authorship, whether or not patentable, copyrightable or otherwise legally protectable. I understand this includes, but is not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design or configuration of any kind, or any improvement thereon. I understand that "Company Inventions" means any and all Inventions that I may solely or jointly author, discover, develop, conceive, or reduce to practice during the period of the Relationship, except as otherwise provided in Section 4(g) below.

(d) **Assignment of Company Inventions.** I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title and interest throughout the world in and to any and all Company Inventions and all patent, copyright, trademark, trade secret and other intellectual property rights therein. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, that I now have or may hereafter have for infringement of any and all Company Inventions. I further acknowledge that all Company Inventions that are made by me (solely or jointly with others) within the scope of and during the period of the Relationship are "works made for hire" (to the greatest extent permitted by applicable law) and are compensated by my salary. Any assignment of Company Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively, "Moral Rights"). To the extent that Moral Rights cannot be assigned under applicable law, I hereby waive and agree not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

(e) **Maintenance of Records.** I agree to keep and maintain adequate and current written records of all Company Inventions made or conceived by me (solely or jointly with others) during the term of the Relationship. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, or any other format. The records will be available to and remain the sole property of the Company at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company policy which may, from time to time, be revised at the sole election of the Company for the purpose of furthering the Company's business. I agree to deliver all such records (including any copies thereof) to the Company at the time of termination of the Relationship as provided for in Section 5 and Section 6.

(f) **Patent and Copyright Rights.** I agree to assist the Company, or its designee, at its

expense, in every proper way to secure the Company's, or its designee's, rights in the Company Inventions and any copyrights, patents, trademarks, mask work rights, Moral Rights, or other intellectual property rights relating thereto in any and all countries, including the

disclosure to the Company or its designee of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments which the Company or its designee shall deem necessary in order to apply for, obtain, maintain and transfer such rights, or if not transferable, waive and agree never to assert such rights, and in order to assign and convey to the Company or its designee, and any successors, assigns and nominees the sole and exclusive right, title and interest in and to such Company Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue during and at all times after the end of the Relationship and until the expiration of the last such intellectual property right to expire in any country of the world. I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such instruments and papers and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of letters patent, copyright, mask work and other registrations related to such Company Inventions. This power of attorney is coupled with an interest and shall not be affected by my subsequent incapacity.

(g) **Exception to Assignments.** Subject to the requirements of applicable state law, if any, I understand that the Company Inventions will not include, and the provisions of this Agreement requiring assignment of inventions to the Company do not apply to, any invention which qualifies fully for exclusion under the provisions of applicable state law, if any, attached hereto as Exhibit B. In order to assist in the determination of which inventions qualify for such exclusion, I will advise the Company promptly in writing, during and after the term of the Relationship, of all Inventions solely or jointly conceived or developed or reduced to practice by me during the period of the Relationship.

5. **Company Property; Returning Company Documents.** I acknowledge and agree that I have no expectation of privacy with respect to the Company's telecommunications, networking or information processing systems (including, without limitation, files, e-mail messages, and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored or reviewed at any time without notice. I further agree that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I agree that, at the time of termination of the Relationship, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, materials, flow charts, equipment, other documents or property, or reproductions of any of the aforementioned items developed by me pursuant to the Relationship or otherwise belonging to the Company, its successors or assigns.

6. **Termination Certification.** In the event of the termination of the Relationship, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit C; however, my failure to sign and deliver the Termination Certification shall in no way diminish my continuing obligations under this Agreement.

7. **Notice to Third Parties.** I agree that during the periods of time during which I am restricted in taking certain actions by the terms of this Agreement (the "Restriction Period"), I shall inform any entity or person with whom I may seek to enter into a business relationship (whether as an owner, employee, independent contractor or otherwise) of my contractual obligations under this Agreement. I also understand and agree that the Company may, with or without prior notice to me and during or after the term of the

Relationship, notify third parties of my agreements and obligations under this Agreement. I further agree that, upon written request by the Company, I will respond to the Company in writing regarding the status of my employment or proposed employment with any party during the Restriction Period.

8. **Solicitation of Employees, Consultants and Other Parties.** As described above, I acknowledge and agree that the Company's Confidential Information includes information relating to the Company's employees, consultants, customers and others, and that I will not use or disclose such Confidential Information except as authorized by the Company. I further agree as follows:

(a) **Employees, Consultants.** I agree that during the term of the Relationship, and for a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I shall not, directly or indirectly, solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

(b) **Other Parties.** I agree that during the term of the Relationship, I will not negatively influence any of the Company's clients, licensors, licensees or customers from purchasing Company products or services or solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. In addition, I acknowledge that the Company has valuable Trade Secrets (as defined by applicable law from time to time) to which I will have access during the term of the Relationship. I understand that the Company intends to vigorously pursue its rights under applicable Trade Secrets law if, during a period of twelve (12) months immediately following the termination of the Relationship for any reason, whether with or without cause, I solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. Thereafter, the Company intends to vigorously pursue its rights under applicable Trade Secrets law as the circumstances warrant.

9. **At-Will Relationship.** I understand and acknowledge that, except as may be otherwise explicitly provided in a separate written agreement between the Company and me, my Relationship with the Company is and shall continue to be at-will, as defined under applicable law, meaning that either I or the Company may terminate the Relationship at any time for any reason or no reason, without further obligation or liability, other than those provisions of this Agreement that explicitly continue in effect after the termination of the Relationship.

10. **Representations and Covenants.**

(a) **Facilitation of Agreement.** I agree to execute promptly, both during and after the end of the Relationship, any proper oath, and to verify any proper document, required to carry out the terms of this Agreement, upon the Company's written request to do so.

(b) **No Conflicts.** I represent that my performance of all the terms of this Agreement does not and will not breach any agreement I have entered into, or will enter into, with any third party, including without limitation any agreement to keep in confidence proprietary information or materials acquired by me in confidence or in trust prior to or during the Relationship. I will not disclose to the Company or use any inventions, confidential or non-public proprietary information or material belonging to any previous client, employer or any other party. I will not induce the Company to use any inventions, confidential or non-public proprietary information, or material belonging to any previous client, employer or any other party. I acknowledge and agree that I have listed on Exhibit A all agreements (*e.g.*, non-competition agreements,

non-solicitation of customers agreements, non-solicitation of employees agreements, confidentiality agreements, inventions agreements, etc.), if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company. I agree not to enter into any written or oral agreement that conflicts with the provisions of this Agreement.

(c) **Voluntary Execution.** I certify and acknowledge that I have carefully read all of the provisions of this Agreement, that I understand and have voluntarily accepted such provisions, and that I will fully and faithfully comply with such provisions.

11. **Electronic Delivery.** Nothing herein is intended to imply a right to participate in any of the Company's equity incentive plans, however, if I do participate in such plan(s), the Company may, in its sole discretion, decide to deliver any documents related to my participation in the Company's equity incentive plan(s) by electronic means or to request my consent to participate in such plan(s) by electronic means. I hereby consent to receive such documents by electronic delivery and agree, if applicable, to participate in such plan(s) through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

12. **Miscellaneous.**

(a) **Governing Law.** The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of California, without giving effect to the principles of conflict of laws.

(b) **Entire Agreement.** This Agreement sets forth the entire agreement and understanding between the Company and me relating to its subject matter and merges all prior discussions between us. No amendment to this Agreement will be effective unless in writing signed by both parties to this Agreement. The Company shall not be deemed hereby to have

waived any rights or remedies it may have in law or equity, nor to have given any authorizations or waived any of its rights under this Agreement, unless, and only to the extent, it does so by a specific writing signed by a duly authorized officer of the Company, it being understood that, even if I am an officer of the Company, I will not have authority to give any such authorizations or waivers for the Company under this Agreement without specific approval by the Board of Directors. Any subsequent change or changes in my duties, obligations, rights or compensation will not affect the validity or scope of this Agreement.

(c) **Successors and Assigns.** This Agreement will be binding upon my heirs, executors, administrators and other legal representatives, and my successors and assigns, and will be for the benefit of the Company, its successors, and its assigns.

(d) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

(e) **Severability.** If one or more of the provisions in this Agreement are deemed void or unenforceable to any extent in any context, such provisions shall nevertheless be enforced to the fullest

extent allowed by law in that and other contexts, and the validity and force of the remainder of this Agreement shall not be affected. The Company and I have attempted to limit my right to use, maintain and disclose the Company's Confidential Information, and to limit my right to solicit employees and customers only to the extent necessary to protect the Company from unfair competition. Should a court of competent jurisdiction determine that the scope of the covenants contained in Section 8 exceeds the maximum restrictiveness such court deems reasonable and enforceable, the parties intend that the court should reform, modify and enforce the provision to such narrower scope as it determines to be reasonable and enforceable under the circumstances existing at that time.

(f) **Remedies.** I acknowledge and agree that violation of this Agreement by me may cause the Company irreparable harm, and therefore I agree that the Company will be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions and permanent injunctions without the necessity of posting a bond or other security (or, where such a bond or security is required, I agree that a \$1,000 bond will be adequate), in addition to and without prejudice to any other rights or remedies that the Company may have for a breach of this Agreement.

(g) **Advice of Counsel.** I ACKNOWLEDGE THAT, IN EXECUTING THIS AGREEMENT, I HAVE HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND I HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement. Execution of a facsimile copy will have the same force and effect as execution of an original, and a facsimile signature will be deemed an original and valid signature.

[Signature Page Follows]

The parties have executed this Agreement on the respective dates set forth below, to be effective as of the Effective Date first above written.

THE COMPANY:

CORTEXYME, INC.

Casey C. Lynch

By:

Casey Lynch
President and Chief Executive Officer

Address:
269 East Grand Avenue

South San Francisco, CA 94080 Date: 5/19/2020

EMPLOYEE:

CHRISTOPHER LOWE

(Signature) Address:

Email: clowe@cortexyme.com

Date: _____

The parties have executed this Agreement on the respective dates set forth below, to be effective as of the Effective Date first above written.

THE COMPANY:

CORTEXYME, INC.

By: _____ Casey Lynch
President and Chief Executive Officer

Address:
269 East Grand Avenue
South San Francisco, CA 94080

Date: _____

EMPLOYEE:

CHRISTOPHER LOWE

Christopher Lowe
(Signature)

Address:

Email: clowe@cortexyme.com Date: 5/18/2020

EXHIBIT A

**LIST OF PRIOR INVENTIONS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED UNDER SECTION 4(a) AND CONFLICTING AGREEMENTS DISCLOSED UNDER
SECTION 10(b)**

The following is a list of (i) all Inventions that, as of the Effective Date: (A) I made, and/or (B) belong solely to me or belong to me jointly with others or in which I have an interest, and that relate in any way to any of the Company's actual or proposed businesses, products, services, or research and development, and which are not assigned to the Company and (ii) all agreements, if any, with a current or former client, employer, or any other person or entity, that may restrict my ability to accept employment with the Company or my ability to recruit or engage customers or service providers on behalf of the Company, or otherwise relate to or restrict my ability to perform my duties for the Company or any obligation I may have to the Company:

<u>Title</u>	<u>Date</u>	<u>Identifying Number or Brief Description</u>
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Except as indicated above on this exhibit, I have no inventions, improvements or original works to disclose pursuant to Section 4(a) of this Agreement and no agreements to disclose pursuant to Section 10(b) of this Agreement.

____ Additional sheets attached

Signature of Employee: *Christopher Lowe*

Print Name of Employee: Christopher Lowe

Date: 5/18/2020

EXHIBIT B

Section 2870 of the California Labor Code is as follows:

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to

assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

EXHIBIT C

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, laboratory notebooks, flow charts, materials, equipment, other documents or property, or copies or reproductions of any aforementioned items belonging to Cortexyme, Inc., a Delaware corporation, its subsidiaries, affiliates, successors or assigns (collectively, the "Company").

I further certify that I have complied with all the terms of the Company's Confidential Information and Invention Assignment Agreement signed by me, including the reporting of any Inventions (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement, and I acknowledge my continuing obligations under that agreement.

I further agree that, in compliance with the Confidential Information and Invention Assignment Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, data bases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

I further agree that for twelve (12) months from the date of this Certification, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's employees or consultants to terminate their relationship with the Company, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company, either for myself or for any other person or entity.

Further, I agree that I shall not use any Confidential Information of the Company to negatively influence any of the Company's clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company.

Further, I acknowledge that the Company has valuable Trade Secrets (as defined by applicable law from time to time) to which I have had access. I understand that the Company intends to vigorously pursue its rights under applicable Trade Secrets law if, during a period of twelve (12) months from the date of this Certification, I solicit or influence or attempt to influence any client, licensor, licensee, customer or other person either directly or indirectly, to direct any purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company. Thereafter, the Company intends to vigorously pursue its rights under applicable Trade Secrets law as the circumstances warrant.

Date: _____ **EMPLOYEE:**

CHRISTOPHER LOWE

(Signature)

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "**Sublease**") is made and entered into as of May

5, 2022, by and between **ICON Clinical Research, LLC**, a Delaware limited liability company, as sublandlord ("**Sublandlord**"), and **Cortexyme, Inc.**, a Delaware corporation, as subtenant ("**Subtenant**").

WHEREAS, Sublandlord, as Tenant, and 601 & 651 Gateway Center LP, a Delaware limited partnership, as Landlord ("**Landlord**") are parties to that certain Office Lease dated as of October 22, 2012 (the "**Original Prime Lease**"), as amended by a First Amendment to Office Lease dated as of October 2, 2017 (the "**First Amendment**"), a Second Amendment to Office Lease dated as of July 27, 2018 (the "**Second Amendment**"), and an Assignment and Assumption of Lease, Consent to Assignment and Third Amendment to Lease dated as of September 21, 2020 (the "**Third Amendment**"; the Original Prime Lease, as amended, collectively, the "**Prime Lease**") for certain Premises consisting of 4,280 rentable square feet of space and commonly known as Suite 1250 located on the 12th floor of the building at 601 Gateway Boulevard, South San Francisco, California 94080, which Premises is more particularly described in the Prime Lease.

WHEREAS, under the terms and conditions of this Sublease, Subtenant desires to sublease from Sublandlord, and Sublandlord desires to sublease to Subtenant, all of the Premises (the "**Sublease Space**").

WHEREAS, any capitalized terms used in this Sublease but not defined in this Sublease shall have the meanings set forth in the Prime Lease.

NOW THEREFORE, for and in consideration of the foregoing and for other good and valuable consideration, and the mutual agreements herein contained, Sublandlord and Subtenant agree as follows:

1. Sublease Demise. On the terms and conditions of this Sublease and subject to receipt by Sublandlord of Landlord's Consent (as defined in Section 21 below), Sublandlord hereby subleases and demises to Subtenant, and Subtenant hereby takes and subleases from Sublandlord, the Sublease Space on the terms and conditions and subject to the provisions set forth herein. Sublandlord and Subtenant stipulate that the number of square feet of rentable area in the Sublease Space set forth herein is conclusive and shall be binding upon Sublandlord and Subtenant.

2. Sublease Term.

(a) Initial Term. The term of this Sublease ("**Sublease Term**") shall commence on the later of (i) April 27, 2022; or (ii) 10 days from the date of Landlord's Consent (such later date, the "**Commencement Date**"). The Sublease Term shall expire at 5:00 PM on November 30, 2023 (the "**Expiration Date**"), unless sooner terminated in accordance with the terms of this Sublease. Notwithstanding anything herein to the contrary, if the Prime Lease expires or terminates at any time during the Sublease Term, then this Sublease shall also terminate automatically on the date of the Prime Lease expiration or termination. If Landlord's Consent is not obtained by June 1, 2022, then Subtenant may terminate this Sublease upon notice to Landlord

prior to the date Landlord's Consent is obtained and upon such termination any Security Deposit and prepaid rent shall be returned by Subtenant.

(b) Extension Option. As long as Subtenant is not in default of this Sublease, Subtenant has one option to extend the Sublease Term for a period of one month, which extension period would commence December 1, 2023, and continue through 5:00 PM on December 31, 2023 (the "**Extension Term**"). This extension option must be exercised, if at all, by written notice given by Subtenant to Sublandlord not later than October 30, 2023. Notwithstanding the foregoing, at Sublandlord's election, this extension option shall be null and void and Subtenant shall have no right to extend the Sublease Term if as of the date Subtenant exercises the option or on November 30, 2023, Subtenant is in a default of any of its obligations under this Sublease. If Subtenant exercises the extension option, then during the Extension Term all of the terms and conditions set forth in this Sublease during the initial Sublease Term shall apply

during the Extension Term, except that (i) Subtenant shall have no further right to renew or extend this Sublease; (ii) Subtenant shall take the Premises in their then "as-is" condition, and Sublandlord shall not provide to Subtenant any allowances, abatement or inducements; (iii) the monthly rate of Basic Rent shall remain as \$4.02; (iv) the Expiration Date shall be December 31, 2023; and (v) Subtenant shall have all surrender and restoration obligations set forth in the Prime Lease. Subtenant's extension option shall terminate if (1) the Prime Lease, this Sublease or Subtenant's right to possession of the Sublease Space is terminated, or (2) Subtenant fails timely to exercise its extension option, time being of the essence with respect to Subtenant's exercise thereof.

3. **Rent.** Commencing on the Commencement Date, Subtenant shall pay Basic Rent (as defined in Section 3(a) below), Additional Rent (as defined in Section 3(b) below), and any other amounts due and owing from Subtenant to Sublandlord (collectively, "**Rent**") in accordance with the terms and conditions of this Sublease.

(a) **Basic Rent.** During the Sublease Term, Subtenant covenants and agrees to pay to Sublandlord basic rent in the following amounts ("**Basic Rent**"):

Time Period	Monthly Amount of Basic Rent	Monthly Rate (per square foot in Sublease Space)
Rent Commencement Date - Sublease Month 12	\$16,692.00	\$3.90
Sublease Month 13 - Expiration Date	\$17,205.60	\$4.02

As used herein, the "**Rent Commencement Date**" is the 11th day after the Commencement Date. Sublandlord and Subtenant acknowledge that as of the Commencement Date, Sublandlord shall permit Subtenant to enter the Premises for the purpose of installing furniture, equipment and other personal property, including Tenant's telephone and data systems cabling, subject to Landlord's approval; and that Subtenant shall not owe Basic Rent for such 10-day period. Notwithstanding the foregoing, Subtenant shall not be obligated to pay monthly Basic Rent for the initial full Sublease Month (the "**Abatement Period**") as long as Subtenant is not in an Event of Default. If,

at any time, Subtenant is in an Event of Default and Sublandlord exercises any remedy as a consequence of such Event of Default, then to the fullest extent permitted by law, this waiver by Sublandlord of Subtenant's requirement to pay monthly Basic Rent for the Abatement Period shall be null and void, and Subtenant shall immediately pay to Sublandlord the Basic Rent so waived by Sublandlord.

As used herein, "**Sublease Month**" means each calendar month of the Sublease Term; provided, however, that if the Commencement Date shall occur on a day that is not the first day of a calendar month, then (i) the initial Sublease Month shall refer only to that partial calendar month included in the Sublease Term; and (ii) Basic Rent for such partial calendar month shall be paid by Subtenant on a pro rata basis (prorated based upon the actual number of days of the calendar month that are within the Sublease Term). An amount equal to a full month of Basic Rent (i.e., \$16,692.00) shall be paid concurrently with Subtenant's execution and delivery of this Sublease, and such amount shall be applied to the first full month of the Sublease Term.

(b) **Additional Rent.** Notwithstanding anything herein to the contrary, it is acknowledged and agreed by Sublandlord that, other than Basic Rent, Subtenant has no obligation or liability to pay any Operating Expenses or Tax Expenses under the Prime Lease, provided that Subtenant shall be responsible for the following: (i) any costs incurred for the Sublease Space for additional, excess, above-standard or after-hours utilities or services provided by Landlord at Subtenant's request, including without limitation overstandard use under Section 6.2, (ii) any of Subtenant's telephone, internet or other telecommunications costs, including any set-up costs for such services, (iii) costs for any approved alterations to the Sublease Space that are made by Subtenant or at the Subtenant's request, and (iv) any other charges incurred at the request or through the actions of Subtenant under the Prime Lease (collectively, "**Additional Rent**"). Basic Rent and Additional Rent are referred to collectively as "**Rent**".

(c) Payment. Subtenant shall pay Basic Rent to Sublandlord in advance and without notice, on the first day of each and every month during the Sublease Term, and all Rent shall be paid in lawful money without set off or deduction. Subtenant shall pay to Sublandlord the Additional Rent payments for which Subtenant is responsible under this Sublease within 20 days after submission of an invoice by Sublandlord to Subtenant. Rent shall be sent by wire transfer or ACH delivery in accordance with the transaction routing instructions set forth on Exhibit B, which may be updated by Sublandlord from time to time by written notice to Subtenant.

(d) Late Fee and Interest. If Subtenant shall fail to pay, within 5 days of when due, any Rent, then Subtenant shall pay with the next installment a late charge plus interest as set forth in the Prime Lease. In no event, however, shall the charges permitted under this Sublease exceed the maximum lawful rate of interest.

4. Security Deposit. To secure the faithful performance by Subtenant of all the covenants, conditions and agreements in this Sublease set forth and contained on the part of Subtenant to be fulfilled, kept, observed and performed, simultaneously with Subtenant's execution of this Sublease, Subtenant shall deliver to Sublandlord a security deposit in the amount of \$17,205.60 (the "**Security Deposit**"). If Subtenant defaults with respect to any provision of this Sublease, including without limitation the payment of any Rent, then Sublandlord may use, apply, draw upon or retain all or any part of the Security Deposit to the extent necessary for the payment of any Rent, or to compensate Sublandlord for any other loss, cost or damage that

Sublandlord may suffer by reason of Subtenant's default. If any portion of the Security Deposit is so used, applied, or drawn upon, then Subtenant shall, within 10 days after notice thereof, deposit cash with Sublandlord in an amount sufficient to restore the Security Deposit to its original amount. Subtenant's failure to do so shall be an automatic Event of Default under this Sublease without any additional notice. Sublandlord shall not, unless otherwise required by law, be required to keep the Security Deposit separate from its general funds, nor pay interest to Subtenant. If Subtenant shall fully and faithfully perform every provision of this Sublease to be performed by it, the Security Deposit or any balance thereof (if any) shall be returned to Subtenant (or to the last transferee of Subtenant's interest hereunder) after the Expiration Date (or sooner termination of this Sublease), provided that Subtenant vacates the Sublease Space in accordance with this Sublease and Subtenant surrenders possession thereof to Sublandlord in the condition required under this Sublease.

5. Condition of Sublease Space. Sublandlord will tender possession of the Sublease Space to Subtenant in a broom-clean condition, but Subtenant agrees that the Sublease Space shall otherwise be taken "AS IS", with "ALL FAULTS" and "WITHOUT ANY REPRESENTATION OR WARRANTIES". Sublandlord shall not be required to perform any demolition work, improvement work or tenant-finish work in the Sublease Space or to provide any allowances therefor. Subtenant hereby acknowledges and agrees that it has investigated and inspected the condition of the Sublease Space and the suitability of same for Subtenant's purposes. Subtenant hereby waives and disclaims any objection or cause of action based upon, or claim that its obligations hereunder should be reduced or limited because of, the physical condition of the Sublease Space or the suitability of same for Subtenant's purposes. Subtenant acknowledges that neither Sublandlord nor any agents or employees of Sublandlord has made any representations or warranties with respect to the physical condition of the Sublease Space or with respect to the suitability of the same for Subtenant's purposes. Subtenant expressly represents and warrants that Subtenant has relied solely on its own investigation and inspection of the Sublease Space in its decision to enter into the Sublease and let the Sublease Space in its "AS IS" condition. Any approved alterations or work performed in the Sublease Space shall be done at Subtenant's sole cost and expense and shall be performed in a good and workmanlike manner and in compliance with all applicable law, building codes, and regulations. Throughout the Sublease Term, Subtenant shall, at its sole cost and expense, maintain the Sublease Space in good condition and repair, and shall promptly perform all necessary repairs and replacements to the extent required of Sublandlord with respect to the Sublease Space under the Prime Lease. If Subtenant fails to make any such repairs or replacements promptly, then Sublandlord has the right to make such repairs or replacements following 10 business days' notice to Subtenant and such expense shall be collectible as Additional Rent and be paid by Subtenant within 30 days of a bill therefor.

6. Use. Under the terms and conditions of the Prime Lease, Subtenant will use and occupy the Sublease Space only for general office use consistent with a Class A building in South San Francisco, California. Subtenant

covenants not to use the Sublease Space for any other purpose whatsoever, and not to use or occupy (or suffer or permit the use or occupancy of) the Sublease Space or any part thereof in any manner which, in Landlord's or Sublandlord's judgment, might adversely affect or interfere with or be contrary to: (i) any services required to be furnished by Landlord, or (ii) the proper and economical rendition of any such service, or (iii) the use or enjoyment of any part of the Building by Landlord, Sublandlord, or any other tenant, subtenant or occupant. Subtenant shall ensure that its use complies with all governmental regulations and

zoning requirements and with the terms and conditions of the Prime Lease. Subtenant shall comply with all laws relating to the use, condition, access to, and occupancy of the Sublease Space, including without limitation obtaining all required licenses and permits for Subtenant to conduct business at the Sublease Space.

7. Prime Lease.

(a) Incorporation. A copy of the Prime Lease is attached hereto as Exhibit A. Subtenant hereby assumes and agrees to perform all of the obligations of Tenant under the Prime Lease with respect to the Sublease Space, accruing or payable during the Sublease Term in the manner and time required under the Prime Lease; provided, however, that Subtenant shall not assume or be responsible for any of Sublandlord's payment obligations under the Prime Lease, except as expressly set forth in Section 3(b) above. Except as otherwise set forth below, and to the extent consistent with the provisions of this Sublease, the terms, provisions, covenants, and conditions of the Prime Lease are hereby incorporated by reference as if set forth at length herein on the following basis: The term "Landlord" in the Prime Lease shall refer to Sublandlord under this Sublease (except as noted in subsection (e) below, including without limitation Section 1.1.3 of the Prime Lease), its successors and assigns; the term "Tenant" in the Prime Lease shall refer to Subtenant under this Sublease, its permitted successors and assigns; the term "Lease" in the Prime Lease shall refer to this Sublease; the term "Lease Commencement Date" in the Prime Lease shall refer to the Commencement Date under this Sublease; the term "Lease Term" in the Prime Lease shall refer to the Sublease Term under this Sublease; the term "Lease Expiration Date" shall refer to the Expiration Date under this Sublease, and the term "Premises" in the Prime Lease shall refer to the Sublease Space under this Sublease. Subtenant covenants with Sublandlord to observe, perform and be bound by each and every provision of the Prime Lease as applicable to Sublandlord to the same manner and extent as if such provisions were contained in this Sublease, other than the payment obligations of Sublandlord to the Landlord thereunder. Notwithstanding anything herein to the contrary, the following portions of the Prime Lease are not incorporated into this Sublease: Original Prime Lease; Summary of Base Lease Information: 3.1, 3.2, 3.3, 4, 8, 9, 11, 12, and 13; Sections 2.2, 3.2, 6.1 (provided that Subtenant has the right to use the services and utilities provided by Landlord under the Prime Lease); the first sentence of Article 7, and 29.36; Exhibit B, and Exhibit H; Sections 1 through 9 of the First Amendment; the entire Second Amendment; and Sections I through 14 of the Third Amendment. The Landlord's Consent shall permit Subtenant to use the same parking spaces as Sublandlord under Section 29.18 of the Prime Lease. Any reference in the Prime Lease to the obligations assumed by Subtenant (and to the extent so assumed by Subtenant) hereunder that accrue during the Sublease Term shall survive and extend beyond the termination of this Sublease. This Sublease is subject to the terms, covenants, agreements, provisions, and conditions of the Prime Lease; and the expiration or termination of the Prime Lease shall automatically cause a termination of this Sublease. Notwithstanding anything herein to the contrary, Subtenant acknowledges and agrees that Subtenant has no right or option to exercise Sublandlord's renewal option(s), expansion option, termination option, right of first refusal, reduction option or any other preferential rights, if any, set forth in the Prime Lease. Further, for so long as this Sublease is in full force and effect and an Event of Default by Subtenant has not occurred hereunder, Sublandlord acknowledges and agrees that it shall not exercise any options to extend the term of the Prime Lease granted to it under the Prime Lease and shall not voluntarily terminate the Prime Lease.

(b) Consent. If the consent or approval of Landlord is required under the Prime Lease, then the consent or approval of both Landlord and Sublandlord shall be required under this Sublease. In determining whether to grant or withhold any consent or approval hereunder, Sublandlord may expressly condition the same upon the consent or approval of Landlord. If Subtenant requests the consent of Sublandlord under any provisions of this Sublease, then Subtenant shall, as a condition to doing any such act and the receipt of such consent, reimburse Sublandlord for any and all reasonable costs and expenses incurred by Sublandlord in connection therewith, including without limitation reasonable attorneys' fees and amounts charged by Landlord.

(c) Release Under Prime Lease. Any provisions in the Prime Lease releasing Landlord from liability shall be deemed a release running from Subtenant to both Landlord and Sublandlord (and their partners, shareholders, officers, directors, affiliates, agents, employees and contractors).

(d) Time Limits. Wherever there are time limits contained in the Prime Lease (i) calling or allowing for the service of notice by the Tenant thereunder, (ii) pertaining to events of default by the Tenant thereunder, or (iii) within which the Tenant thereunder must perform any act or observe any term, covenant or condition thereunder, the same shall be deemed amended for the purposes of this Sublease to provide for time limits of 3 days less and deadlines that are 3 days earlier than those provided for in the Prime Lease.

(e) Landlord Obligations, Representations, and Warranties; Prime Lease Services. Any covenant, representation, warranty, or other undertaking of Landlord in the Prime Lease shall not be deemed to be made by, or otherwise constitute an obligation of, Sublandlord under this Sublease. Sublandlord has no duty to perform any obligations of Landlord that are, by their nature, the obligation of an owner or manager of real property, including without limitation any obligation to provide utilities as contemplated in the Prime Lease, any obligation to make repairs to the Building or Premises as contemplated in the Prime Lease, any obligations of Landlord under Article 11 or Article 13 of the Prime Lease, or any obligation to maintain the insurance required to be maintained by Landlord under Section 10.12. Sublandlord has no responsibility or liability to Subtenant for any default, failure, or delay on the part of Landlord in the performance or observance by Landlord of any of its obligations under the Prime Lease. In addition, no such default, failure, or delay by Landlord shall affect this Sublease or waive or defer the performance of any of Subtenant's covenants hereunder, except to the extent that such default, failure, or delay excuses performance by Sublandlord of a similar covenant under the Prime Lease. Notwithstanding anything to the contrary contained in this Sublease or the Prime Lease (as incorporated into this Sublease), Subtenant agrees that Sublandlord shall not be obligated to perform, and shall not be liable or responsible for the performance by or failure of performance by Landlord, of any of its obligations under the Prime Lease or under law and Subtenant shall have no claim against Sublandlord for any default of Landlord. Sublandlord shall use commercially reasonable efforts to exercise its rights under the Prime Lease and cause Landlord to perform its obligations under the Prime Lease and to assist Subtenant, at Subtenant's sole expense and without liability to Sublandlord, in seeking Landlord's consent to any action for which the Prime Lease or this Sublease require Landlord's consent; provided such commercially reasonable efforts shall not require Sublandlord to incur any out-of-pocket expenses to cause Landlord to perform its obligations under the Prime Lease unless Subtenant agrees in writing to pay, and does pay, such

expenses as and when incurred. Sublandlord does not warrant that any of the services referred to in this Sublease, or any other services that Landlord may supply, will be free from interruption, and Subtenant acknowledges that any such services may become unavailable or be suspended by reason of accident, repairs, inspections, alterations or improvements, or by delays beyond a party's reasonable control, including without limitation, governmental restrictions or regulations, governmental preemption, strikes, labor disputes, shortage of labor or materials, Acts of God, fire, earthquake, floods, extreme weather conditions, enemy action, civil commotion, riot or insurrection, fire or other unavoidable casualty.

(t) Landlord Rights. If under the Prime Lease Landlord reserves or is granted any right, including without limitation the right to enter the Sublease Space, then said right shall inure to the benefit of Landlord as well as Sublandlord with respect to the Sublease Space. Subtenant acknowledges any rights specifically reserved by Landlord under the Prime Lease; and Subtenant further acknowledges that its possession and use of the Sublease Space is subject to such rights. Except as may be otherwise set forth herein, Subtenant hereby releases Sublandlord from all liability in connection with Landlord's exercise of such rights. Sublandlord shall not incur any liability whatsoever to Subtenant for any injury, inconvenience, incidental or consequential damages incurred or suffered by Subtenant as a result of the exercise by Landlord of any of the rights reserved to Landlord under the Prime Lease, nor shall such exercise constitute a constructive eviction or a default by Sublandlord hereunder, except to the extent such exercise would constitute a constructive eviction or a default by Landlord under the Prime Lease. Subtenant's obligations to pay Rent and any other charges due under this Sublease shall not be reduced or abated in the event that Landlord fails to provide any service, to perform any maintenance or repairs, or to perform any other obligation of Landlord under the Prime Lease, except to

the extent such failures would reduce or abate Sublandlord's obligations to pay rent under the Prime Lease. Notwithstanding anything herein to the contrary, to the extent Sublandlord is entitled to any abatement under the Prime Lease for interruption of any service affecting the Sublease Space during the Sublease Term or otherwise under the Prime Lease, Subtenant shall be entitled to the same abatement of Basic Rent on its behalf, but only to the extent that (i) such abatement is actually received by Sublandlord with respect to the Sublease Space, and (ii) an Event of Default by Subtenant has not occurred.

8. Alterations. Notwithstanding anything in this Sublease to the contrary, Subtenant shall not make any alterations, improvements, or additions to the Sublease Space ("**Alterations**") without the prior written consent of Sublandlord and of Landlord. Subtenant shall reimburse Sublandlord for all out-of-pocket costs payable by Sublandlord with regard to reviewing any proposed Alterations and all other reasonable out-of-pocket costs Sublandlord may incur in connection with reviewing Subtenant's proposed Alterations including, without limitation, fees and costs for engineers, architects, attorneys and other consultants. Upon expiration of the Sublease Term, to the extent allowed under the Prime Lease, Subtenant shall remove (i) all of its trade fixtures and personal property from the Sublease Space and repair any damage resulting from such installation or removal, and (ii) upon request from Sublandlord or Landlord, all Alterations that either had not been approved by Sublandlord and/or Landlord in writing, or for which Sublandlord or Landlord required their removal at the time they granted their consent in connection therewith, and Subtenant shall promptly restore the Sublease Space to the condition then existing prior to such removal. Notwithstanding anything in this Sublease to the contrary, if Landlord notifies Sublandlord to remove any Alterations at the expiration or earlier termination of the Prime

Lease, then Subtenant, at its sole cost and expense, shall remove such Alterations before the Expiration Date or earlier termination of this Sublease. The obligations set forth *in* the preceding sentence shall survive the termination or expiration of this Sublease.

9. Subtenant's Obligations. As between Sublandlord and Subtenant, Subtenant shall be responsible for and shall pay for the following:

(a) All expenses with respect to the Sublease Space for which Tenant is responsible pursuant to Section 3(b) hereof.

(b) Any and all sums of money that are or may become payable by Sublandlord to Landlord under the Prime Lease caused by the actions or omissions of Subtenant or any Subtenant Party (as defined in Section 12 below) and any and all charges of Landlord under the Prime Lease to the extent related to a request by Subtenant or caused by Subtenant's failure to perform its obligations under this Sublease, in each case except to the extent that such amounts are included in the Operating Expenses under the Prime Lease.

(c) All maintenance, repairs, and replacements as to the Sublease Space. All such maintenance, repairs, and replacements shall be performed in accordance with the Prime Lease.

(d) All taxes or charges that may be levied against Subtenant's personal property in the Sublease Space or Subtenant's use or occupancy of the Sublease Space during the Sublease Term.

10. Default. Any act or omission by Subtenant that would constitute a breach or default by the Tenant under the Prime Lease shall constitute a default or an "**Event of Default**" by Subtenant under this Sublease. In addition, the following shall also constitute an Event of Default by Subtenant hereunder: Subtenant files a petition in bankruptcy pursuant to the Bankruptcy Code or under any similar federal or state law, or is adjudicated a bankrupt or becomes insolvent, or commits any act of bankruptcy as defined in any such law, or takes any action in furtherance of any of the foregoing; or a petition or answer is filed proposing the adjudication of Subtenant as bankrupt pursuant to the Bankruptcy Code or any similar federal or state law, and (a) Subtenant consents to the filing thereof, or (b) such petition or answer is not discharged within 60 days after the filing thereof; or Subtenant fails to discharge any lien (or to post a bond therefor) within 10 days after the lien was filed. Notwithstanding anything herein or in the Prime Lease to the contrary, if any time period granted under the Prime Lease and incorporated into this Sublease will not allow Sublandlord sufficient time to cure such nonmonetary default, then

the cure period under this Sublease shall be shortened to 10 days less than the cure period under the Prime Lease.

11. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord may exercise any remedy against Subtenant that Landlord may exercise for any default or breach by the Tenant under the Prime Lease, as well as any other remedies available to Sublandlord at law or in equity. It is hereby understood, and Subtenant hereby covenants with Sublandlord, that the occurrence of any Event of Default by Subtenant shall not relieve Subtenant from the obligation of Subtenant to make the monthly payments of Rent hereinbefore reserved, at the times and in the manner aforesaid. In addition to such rights or remedies afforded to Landlord under the Prime

Lease, Sublandlord shall have the right, but not the obligation, without notice to Subtenant and without waiving or releasing Subtenant from any obligations hereunder, to cure any breach or default by Subtenant (and enter upon the Sublease Space in connection therewith if necessary) and/or to perform any such obligations of Subtenant in such manner and to such extent as Sublandlord shall reasonably deem necessary, and in exercising any such right, pay any incidental costs and expenses, employ attorneys, and incur and pay reasonable attorneys' fees. Subtenant shall pay to Sublandlord within 10 days after demand all sums so paid by Sublandlord and all actual, reasonable out-of-pocket costs and expenses of Sublandlord in connection therewith, together with Interest thereon, from the date of the making of such expenditures until the date reimbursed by Subtenant.

12. Insurance and Indemnity.

(a) Subtenant shall maintain the policies of insurance required to be maintained by the Tenant as set forth in the Prime Lease. Such coverage shall meet or exceed the requirements for Tenant's coverage under the Prime Lease. All such policies shall be issued by reputable insurance companies reasonably approved by Sublandlord and Landlord, and such policies cannot be modified or cancelled without at least 30 days' prior written notice to Sublandlord. Subtenant shall name Sublandlord and Landlord as additional insureds under the general liability policies required by the Prime Lease and as loss payees under any property policy; and each policy shall contain a waiver of subrogation in favor of Sublandlord. On or before the Commencement Date, Subtenant shall furnish to Sublandlord said policies or certificates thereof evidencing that the required coverage is being maintained, together with such evidence as Sublandlord shall deem reasonably satisfactory of the payment of premiums thereon. Sublandlord shall not be liable to Subtenant or any other person or corporation, including employees, for any damage to their property caused by water, rain, snow, frost, fire, storm or accidents, theft, or by breakage, stoppage, or leakage of water, gas, heating, and sewer pipes or plumbing, upon, about, or adjacent to the Sublease Space.

(b) Subtenant shall defend, indemnify, and hold harmless Sublandlord from and against any and all third-party claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) in any way arising out of, relating to, or connected with (i) a Subtenant Party's use and occupancy of the Sublease Space, and/or any activity, work, or other thing done, permitted, or suffered by Subtenant or a Subtenant Party in or about the Sublease Space, the Building, or any part thereof, (ii) any breach or default by Subtenant under this Sublease, including without limitation under Section 16 of this Sublease, and (iii) any negligence or willful misconduct of a Subtenant Party, except, in each case, to the extent any such claims, liabilities, damages, losses, costs or expenses arise out of, relate to or are connected with the gross negligence or willful misconduct of Sublandlord and/or its agents, contractors, or employees. Subtenant assumes all risk of damage or loss to its property or injuries or death to persons, in, on, or about the Sublease Space, from all causes. The provisions of this Section 12 shall survive the expiration or earlier termination of this Sublease. As used in this Sublease, a "**Subtenant Party**" refers individually and collectively to Subtenant and/or any of Subtenant's agents, employees, affiliates, contractors, invitees, subtenants, licensees, assignees, or anyone claiming by, through or under Subtenant

13. Damage to or Destruction. If the Sublease Space or the Building is damaged by fire or other casualty, then to the extent Sublandlord is unaware of such damage or destruction,

Subtenant shall promptly notify Sublandlord. If the Building or Sublease Space is damaged by fire or other casualty and Sublandlord shall, under the terms of the Prime Lease, elect to terminate the Prime Lease, then this Sublease shall cease

and terminate on the date of termination of the Prime Lease. Otherwise, this Sublease shall remain in full force and effect. Sublandlord shall have no obligation hereunder to repair any portion of the Building or Sublease Space, whether or not this Sublease shall be terminated, which obligation shall be Landlord's to the extent required under the Prime Lease. If all or any part of the Sublease Space is damaged and this Sublease is not terminated, then Subtenant shall (to the extent that Landlord is not so obligated) promptly and with due diligence repair and restore any personal property, leasehold improvements, and alterations installed by Subtenant in the Sublease Space.

14. Condemnation of Sublease Space. If all of the Sublease Space is taken through the exercise of the power of eminent domain, this Sublease shall terminate on the date when possession of the Sublease Space is required by the condemning authority.

15. Assignment and Subletting. Subtenant has no right to, and hereby covenants and agrees that Subtenant shall not assign its interest in this Sublease, in whole or in part; permit the Sublease to be assigned by operation of law or otherwise; sublease the Sublease Space in whole or in part; or permit the Sublease Space or any portion therein to be occupied by any persons or entities other than Subtenant and its employees, without Sublandlord's consent, which shall not be unreasonably withheld. Notwithstanding anything set forth in the Prime Lease, Sublandlord's consent shall be required for any and all assignment, sublease, or other transfer of Subtenant's right in this Sublease or interest in the Sublease Space, or with respect to any grant of permission for any other party to occupy the Sublease Space.

16. Surrender and Holdover. Subtenant shall, at its sole cost and expense, surrender and vacate the Sublease Space in a broom-clean condition and deliver unencumbered and vacant possession of the Sublease Space to Sublandlord on the Expiration Date, or any earlier termination of this Sublease, and shall, at its sole cost and expense, on or prior to such date, remove therefrom any and all of its movable partitions and all business, communications and office equipment, computers and machinery, and all associated wiring, cabling and conduits, and other articles of personal property, whether or not attached to or built into the Sublease Space, that are installed in the Sublease Space by or for the account of Subtenant during the Sublease Term, and all furniture, furnishings and other articles of movable personal property owned by Tenant and/or Subtenant located in the Sublease Space, including Existing Furniture (defined below) and any cabling installed by Subtenant, its vendors, contractors or agents (collectively, "**Subtenant's Property**"). Subtenant shall repair and restore all damage to the Sublease Space or other portions of the Building caused by Subtenant's use and occupancy of the Sublease Space and the removal of Subtenant's Property as required herein. Subtenant shall pay to Sublandlord, upon demand, all sums so paid by Sublandlord and all incidental costs and expenses of Sublandlord in connection therewith, together with interest at the then maximum rate of interest which may be lawfully collected from Subtenant, from the date of Sublandlord making such expenditures. Notwithstanding the foregoing, Subtenant shall not be required to remove or restore any Alterations existing as of the Commencement Date of this Sublease. If Subtenant exercises the Extension Term, then Subtenant shall perform and all work necessary under the Prime Lease to surrender the Sublease Space under or pursuant to the terms of the Prime Lease, including without limitation removal of any alterations, decorations, additions or improvements performed prior to

the date of this Sublease. If Subtenant or any Subtenant Party holds over and fails to vacate the Sublease Space timely, then Sublandlord may exercise any and all remedies available to it at law or in equity to recover possession of the Sublease Space, and to recover any damages incurred by Sublandlord (including, without limitation, damages payable by Sublandlord to Landlord by reason of such holdover), plus any reasonable attorneys' fees and costs incurred by Sublandlord in connection with Subtenant's holdover). Subtenant shall be responsible for any amounts that that are paid, incurred or owed by Sublandlord as a result of the failure of, or the delay by, Subtenant in surrendering the Sublease Space, including without limitation all sums payable by Sublandlord to Landlord. For the period that Subtenant or a Subtenant Party holds over, Subtenant shall pay Rent equal to the greater of: (i) holdover rent for which Sublandlord is liable under the Prime Lease; or (ii) 150% of the Rent that Subtenant was paying at the end of Sublease Tenn. The acceptance by Sublandlord of any lesser sum shall be construed as payment on account and not in satisfaction of damages for such holding over. The provisions of this Section 16 shall survive the expiration or earlier termination of this Sublease.

17. Compliance With Laws. Subtenant and its agents, employees, contractors, licensees, and invitees shall at all times at Subtenant's expense comply with the following: (a) all laws, bylaws, ordinances, order, rules, and regulations of any governmental authority, including all environmental laws, pertaining to Subtenant's use of the Sublease Space,

and (b) all permits, licenses, and governmental authorizations issued or granted to Subtenant in connection with Subtenant's use of the Sublease Space.

18. Notices. All Notices that are required or permitted hereunder shall be in writing and shall be delivered as set forth in the Prime Lease but addressed to the respective parties at the addresses set forth below:

Sublandlord: ICON Clinical Research, LLC
320 Seven Springs Way, Suite 500
Brentwood, TN 37027 Attention: Summer Morris

With a copy to:

ICON PLC
South County Business Park Leopardstown Dublin 18, Ireland
Attention: David Cahill, Vice President, Facilities and Administration

Subtenant: Cortexyme, Inc.
601 Gateway Boulevard, Suite 1250 South San Francisco, California
94080 Attention: Legal Department

Notices shall be deemed given upon the earlier to occur of actual receipt or refusal of receipt, one (1) day after the deposit thereof with a nationally recognized overnight courier service, or personal

delivery. Either party hereto may designate a different or additional address for the giving of notice by written notice to the other party.

19. Brokers. Subtenant represents and warrants to Sublandlord that Subtenant has not dealt with any broker, finder or agent in connection with this Sublease other than Jones Lang LaSalle (the "**Broker**"). Sublandlord represents and warrants to Subtenant that Sublandlord has not dealt with any broker, finder or agent in connection with this Sublease other than the Broker. Subtenant shall indemnify Sublandlord and hold Sublandlord harmless from any and all claims for fees, commissions or compensation that arose out of or are in any way connected with any agency representation of Subtenant other than the Broker.

20. Furniture and Equipment. Upon the execution of this Sublease, Subtenant shall purchase all existing furniture and equipment that is located within the Sublease Space as of the Commencement Date (the "**Existing Furniture**") in an "AS IS", "WHERE IS" with "ALL FAULTS" and "WITHOUT ANY REPRESENTATION OR WARRANTIES" for \$1.00 as set forth in the Bill of Sale (defined below). Nothing contained herein shall be deemed a representation, warranty or guaranty by or from Sublandlord as to the condition, value, utility or merchantability of or to the Existing Furniture, or any portion thereof, and Sublandlord expressly disclaims any and all warranties in connection with the Existing Furniture, including, without limitation, warranties of merchantability, condition, and fitness, and in no event shall Sublandlord have any liability or responsibility of any type whatsoever with respect thereto. Subject to the foregoing, Sublandlord shall execute a bill of sale conveying the Existing Furniture to Subtenant in the form attached as Exhibit C (the "**Bill of Sale**"). Sublandlord and Subtenant hereby agree that little or no value will be attributable to the Existing Furniture at the time of transfer to Subtenant and that no part of the Rent payable by Subtenant will be attributable to the Existing Furniture. Sublandlord and Subtenant agree to treat Subtenant as the owner of the Existing Furniture for federal and state income tax reporting purposes during the Sublease Term; and no portion of the Rent payable under this Sublease shall be deemed for any purpose paid on account of the use of the Existing Furniture by Subtenant. Notwithstanding the foregoing, if after complying with the foregoing sales tax is due in connection with the transfer of the Existing Furniture to Subtenant under this Sublease ("**Sales Tax**"), then Subtenant hereby agrees to pay as and when due such amounts. The provisions of the preceding sentence shall survive the expiration or earlier termination of this Sublease. Subtenant shall remove all Existing Furniture at the end of the Sublease Term and repair any damage caused by such removal.

21. Consent of Landlord. Notwithstanding anything contained herein to the contrary, the parties agree that Sublandlord's execution of this Sublease and Subtenant's right to possession of the Sublease Space hereunder is expressly conditioned upon Landlord's consent to this Sublease ("**Landlord's Consent**"), and this Sublease shall not take effect unless and until Landlord's Consent has been obtained. Subtenant *promptly* shall deliver to Sublandlord any information reasonably requested by Landlord in connection with its approval of this Sublease, including without limitation with respect to the nature and operation of Subtenant's business and/or the financial condition of Subtenant. In connection with requesting Landlord's Consent, Sublandlord shall (i) have no liability to Subtenant in the event that Landlord does not give Landlord's Consent, and (ii) not be required to pay any consideration to Landlord in order to obtain Landlord's Consent or to commence a legal proceeding against Landlord.

22. Sublandlord's Reserved Rights. Sublandlord reserves the right to inspect the Sublease Space, to enter the Sublease Space for any purpose for which Landlord may enter the Sublease Space, or upon reasonable advance notice to Subtenant, to exhibit the Sublease Space to persons having a legitimate interest therein at any time during the Sublease Term hereof.

23. Signage. Subtenant has no right to install signage in or on the Premises or the Building except to the extent granted by Landlord. Sublandlord acknowledges that pending Landlord's approval, Sublandlord will allow Subtenant, at its sole cost, (i) to install Building standard suite-entry signage bearing Subtenant's name in the Building-standard location adjacent to the main entrance of the Sublease Space; and (ii) to have Subtenant's name installed into the Landlord's Building directory on the ground floor of the Building, if any.

24. Inspection. Pursuant to Section 1938 of the California Civil Code, Sublandlord hereby advises Subtenant that the Sublease Space, as delivered to Subtenant, the Building and Project have not undergone an inspection by a Certified Access Specialist ("**CASp**"). Sublandlord makes no representations or warranties with respect to the Sublease Space, Building or Project complying with any applicable federal, state and local standards, codes, rules and regulations governing physical access for persons with disabilities at places of public accommodation, including, but not limited to, the Americans with Disabilities Act of 1990, California's Civil Rights Act, California Building Standards Code, or California Health and Safety Code. The following disclosure is made pursuant to §1938 of the California Civil Code: A CASp can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises. Notwithstanding the foregoing, if Subtenant elects to cause a CASp inspection, then the same will be performed at Subtenant's sole cost and expense, and the cost of making and repairs necessary to correct violations of construction-related accessibility standards within the Sublease Space will be at Subtenant's cost and expense.

25. Patriot Act. Subtenant is (a) in compliance with and shall at all times during the Sublease Term remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the Sublease Term be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List or the Sectoral Sanctions Identifications List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules

26. Miscellaneous.

(a) An amendment to this Sublease shall be effective only if it is a written agreement signed by both parties hereto.

(b) This Sublease constitutes the entire agreement between Sublandlord and Subtenant relating to the subject matter hereof, superseding all prior agreements or undertakings between such parties, oral or written. If any clause or provision of this Sublease (or the schedules hereto) is or becomes illegal, invalid, or unenforceable because of present or future laws or any rule, decision, or regulation of any governmental body or entity, the intention of the parties hereto is that the remaining parts of this Sublease shall not be affected thereby.

(c) All terms, conditions, and covenants of this Sublease shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

(d) If either party is successful in enforcing against the other any legal or equitable remedy for a breach of any provision of this Sublease or in defending against any cause of action brought by the other party hereunder, then the successful party shall be entitled to recover its expenses and reasonable attorneys' fees as determined by the court as part of the judgment or decree.

(e) Sublandlord and Subtenant hereby warrant and represent to one another that they have the authority and legal ability to enter into and perform this Sublease and their respective obligations hereunder and all actions required in connection with the authorization, execution, delivery, and performance of this Sublease have been duly taken and, when executed and delivered by Sublandlord and Subtenant, this Sublease shall be and constitute the valid, legal, and binding obligations of the parties hereto.

(f) This Sublease is and shall be subject and subordinate at all times to the Prime Lease, to the rights of the Landlord, and to all mortgages and other encumbrances now or hereafter placed upon the Sublease Space or the Building.

(g) Time is of the essence of this Sublease and each and all of its provisions.

(h) Under no circumstances shall Sublandlord be liable to Subtenant under any theory of tort, contract, strict liability, or other legal or equitable theory for any punitive, special, incidental, indirect, or consequential damages, each of which is hereby excluded by agreement of the parties regardless of whether or not any party has been advised of the possibility of such damages.

(i) This Sublease may be executed in counterparts, each of which shall be an original and all of which, when assembled, shall constitute but one document. If any signature to this Sublease is delivered by e-mail delivery of a portable document format (.pdf or similar format) data file or by DocuSign, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such ".pdf" signature page or DocuSign were an original thereof. This Sublease shall become effective when each party has received a counterpart hereof signed by the other party.

(i) The recitals set forth at the beginning of this Sublease are incorporated into this Sublease by reference as if fully set forth herein.

[Signatures follow on next two pages]

IN WITNESS WHEREOF, Sublandlord has executed this Sublease as of the day and year first above written.

Sublandlord:

ICON Clinical Research LLC,
a Delaware limited liability company

By: *George A. McMillan*
Name: GEORGE A. McMILLAN
Title: Chief Commercial Officer

IN WITNESS WHEREOF, Subtenant has executed this Sublease as of the day and year first above written.

Subtenant:

Cortexyme, Inc.,
a Delaware corporation

By: *Caryn McDowell*
Name: Caryn McDowell
Title: Chief Legal and Admin Officer

Exhibit A Prime Lease

[See Attached.]

CONSENT TO SUBLEASE

This Consent to Sublease (this "**Consent**") is made as of June 8, 2022, by **601 & 651 GATEWAY CENTER LP**, a Delaware limited partnership, having an address of 26 North Euclid Avenue, Pasadena, California 91101, Attn: Corporate Secretary, Re: 601/651 Gateway ("**Landlord**"), **ICON CLINICAL RESEARCH, LLC**, a Delaware limited liability company, having an address of 601 Gateway Boulevard, Suite 1250, South San Francisco, CA 94080, Attn: Lease Administrator ("**Tenant**"), and **CORTEXYME, INC.**, a Delaware corporation, having an address of 601 Gateway Boulevard, Suite 1250, South San Francisco, CA 94080, Attn: Legal Department ("**Sublessee**") with reference to the following Recitals.

RECITALS

A. Landlord and Tenant are now parties to that certain Office Lease dated October 22, 2012, as amended by that certain First Amendment to Office Lease dated October 2, 2017, as further amended by that certain Second Amendment to Office Lease dated July 27, 2018, and as further amended by that certain Assignment and Assumption of Lease, Consent to Assignment and Third Amendment to Lease dated September 21, 2020 (as amended, the "**Lease**") wherein Landlord leases to Tenant certain premises (the "**Premises**") containing approximately 4,280 rentable square feet commonly known as Suite 1250 and located at 601 Gateway Boulevard, South San Francisco, California (the "**Building**"), and more particularly described in the Lease.

B. Tenant desires to sublease to Sublessee all of the Premises (the "**Subleased Premises**") together with non-exclusive access to certain common areas and parking spaces, all as more particularly described in and pursuant to the provisions of that certain Sublease between Tenant and Sublessee (the "**Sublease**"), a copy of which is attached hereto as Exhibit A.

C. Tenant desires to obtain Landlord's consent to the Sublease.

NOW, THEREFORE, in consideration of the foregoing and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord hereby consents to the sublease of the Subleased Premises to Sublessee, such consent being subject to and upon the following terms and conditions to which Tenant and Sublessee hereby agree:

1. All initially capitalized terms not otherwise defined in this Consent shall have the meanings set forth in the Lease unless the context clearly indicates otherwise.
2. This Consent shall not be effective and the Sublease shall not be valid unless and until Landlord shall have received: (a) a fully executed counterpart of this Consent, and (b) an insurance certificate from Sublessee, as insured, evidencing no less than the insurance requirements set forth in the Sublease. Tenant and Sublessee each represent and warrant to Landlord that the copy of the Sublease attached hereto as Exhibit A is true, correct and complete.
3. Landlord neither approves nor disapproves the terms, conditions and agreements contained in the Sublease, all of which shall be subordinate and at all times subject to:
(a) all of the covenants, agreements, terms, provisions and conditions contained in the Lease, (b) superior ground leases, mortgages, deeds of trust, or any other hypothecation

or security now existing or hereafter placed upon the real property of which the Premises are a part and to any and all advances secured thereby and to all renewals, modifications, consolidations, replacements and extensions thereof, and (c) all matters of record affecting the Premises and all laws, ordinances and regulations now or hereafter affecting the Premises.

4. Nothing contained herein or in the Sublease shall be construed to:
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- a. modify, waive, impair, or affect any of the terms, covenants or conditions contained in the Lease (including, without limitation, Tenant's obligation to obtain any required consents for any other or future sublettings), or to waive any breach thereof, or any rights or remedies of Landlord under the Lease against any person, firm, association or corporation liable for the performance thereof, or to enlarge or increase Landlord's obligations or liabilities under the Lease (including, without limitation, any liability to Sublessee for any portion of the security deposit held by Tenant under the Sublease), and all terms, covenants and conditions of the Lease are hereby declared by each of Landlord and Tenant to be in full force and effect.
- b. require Landlord to accept any payments from Sublessee on behalf of Tenant, except as expressly provided in Section 7 hereof.

Tenant shall remain liable and responsible for the due keeping, performance and observance of all the terms, covenants and conditions set forth in the Lease on the part of the Tenant to be kept, performed and observed and for the payment of the annual rent, additional rent and all other sums now and hereafter becoming payable thereunder for all of the Premises, including, without limitation, the Subleased Premises.

5. Notwithstanding anything in the Sublease to the contrary:
 - a. Sublessee does hereby expressly assume and agree to be bound by and to perform and comply with, for the benefit of Landlord, each and every obligation of Tenant under the Lease to the extent applicable to the Subleased Premises. Landlord and Sublessee each hereby release the other, and waive their respective rights of recovery against the other for direct or consequential loss or damage arising out of or incident to the perils covered by property insurance carried by such party or required to be carried by such party and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof.
 - b. Tenant and Sublessee agree to each of the terms and conditions of this Consent, and upon any conflict between the terms of the Sublease and this Consent, the terms of this Consent shall control.
 - c. The Sublease shall be deemed and agreed to be a sublease only and not an assignment and there shall be no further subletting or assignment of all or any portion of the Premises demised under the Lease (including the Subleased Premises demised by the Sublease) except in accordance with the terms and conditions of the Lease.
 - d. If Landlord terminates the Lease as a result of a default by Tenant thereunder, or the Lease terminates for any other reason, the Sublease shall automatically terminate concurrently therewith.
 6. Any act or omission of Sublessee or anyone claiming under or through Sublessee that violates any of the provisions of the Lease shall be deemed a violation of the Lease by Tenant.
 7. Upon a default by Tenant under the Lease, Landlord may proceed directly against Tenant, any guarantors or anyone else liable under the Lease or the Sublease without first exhausting Landlord's remedies against any other person or entity liable thereon to Landlord. If Landlord gives Sublessee notice that Tenant is in default under the Lease, Sublessee shall thereafter make directly to Landlord all payments otherwise due Tenant, which payments will be received by Landlord without any liability to Landlord except to credit such payments against amounts due under the Lease. The mention in this Consent of any particular remedy shall not preclude Landlord from any other remedy in law or in equity.
 8. Tenant shall be responsible for any brokerage commission or fee payable as a result of the Sublease. Tenant hereby indemnifies and agrees to hold Landlord harmless from and against any loss or liability arising therefrom or from any other commissions or fees payable in connection with the Sublease
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which result from the actions of Tenant. Sublessee hereby indemnifies and agrees to hold Landlord harmless from and against any loss or liability arising from any commissions or fees payable in connection with the Sublease which result from the actions of Sublessee.

9. Notwithstanding anything to the contrary contained in the Lease, Tenant shall pay to Landlord an amount equal to the actual, reasonable legal fees incurred by Landlord in connection with this Consent.
10. Tenant and Sublessee agree that the Sublease will not be modified or amended in any way without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Tenant and Sublessee hereby agree that it shall be reasonable for Landlord to withhold its consent to any modification or amendment of the Sublease which would change the permitted use of the Subleased Premises or which would affect Landlord's status as a real estate investment trust. Any modification or amendment of the Sublease without Landlord's prior written consent shall be void and of no force or effect.
11. Tenant and Sublessee hereby each confirms as to itself and all its beneficial owners that the same are currently (a) in compliance with and shall at all times during the Term remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (b) not listed on, and shall not during the term of this Agreement be listed on, the Specially Designated Nationals and Blocked Persons List, Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, which are all maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (c) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.
12. This Consent may not be changed orally, but only by an agreement in writing signed by Landlord and the party against whom enforcement of any change is sought.
13. This Consent and the legal relations between the parties hereto shall be governed by and construed and enforced in accordance with the internal laws of the State in which the Premises are located, without regard to its principles of conflicts of law.
14. This Consent may be executed in 3 or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature process complying with the U.S. federal ESIGN Act of 2000) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Electronic signatures shall be deemed original signatures for purposes of this Consent and all matters related thereto, with such electronic signatures having the same legal effect as original signatures.

[Signatures on next page]

IN WITNESS WHEREOF, Landlord, Tenant and Sublessee have caused their duly authorized representatives to execute this Consent as of the date first above written.

LANDLORD:

601 & 651 GATEWAY CENTER LP,
a Delaware limited partnership

By: GATEWAY CENTER GP LLC,
a Delaware limited liability company, general partner

By: GATEWAY PORTFOLIO MEMBER LLC,
a Delaware limited liability company, managing member

By: GATEWAY PORTFOLIO HOLDINGS LLC,
a Delaware limited liability company, managing member

By: ARE-SAN FRANCISCO NO. 83, LLC,
a Delaware limited liability company, managing member

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,
a Delaware limited partnership, managing member

By: ARE-QRS CORP.,
a Maryland corporation, general partner

DocuSigned by:
Kristen Childs

AEFF84612F6C4B2...

By: Kristen Childs
Its: Vice President - Real Estate

TENANT:

ICON CLINICAL RESEARCH LLC,
a Delaware limited liability company

DocuSigned by:
George McMillan
By: George McMillan

Its: EVP, Chief Commercial Officer

I hereby certify that the signature, name, and title above
are my signature, name and title

SUBLESSEE:

CORTEXYME, INC.
a Delaware corporation

DocuSigned by:
Caryn McDowell
By: Caryn McDowell

Its: Chief Legal and Administrative Officer

I hereby certify that the signature, name, and title above
are my signature, name and title

CORTEXIME, INC.

July 15, 2022

Leslie Holsinger

VIA EMAIL (lholsinger@cortexyme.com) Dear Leslie:

This letter sets forth the substance of the separation agreement (the "**Agreement**") that Cortexyme, Inc. (the "**Company**") is offering to you to aid in your employment transition.

1. Separation. Your last day of work with the Company and your employment termination date will be **July 31, 2022** (the "**Separation Date**"). Between now and the Separation Date, you must continue to abide by your continued contractual and statutory obligations to the Company and the Company's policies.

2. Final Pay. On or shortly after the Separation Date, the Company will pay you all accrued salary and all accrued and unused paid time off (PTO) earned through the Separation Date, subject to standard payroll deductions and withholdings. You are entitled to this payment regardless of whether or not you sign this Agreement.

3. Severance Payment. If you timely sign, date and return this fully executed Agreement to the Company, allow it to become effective, and comply with your obligations under it (the "**Severance Preconditions**"), then the Company will deem your employment termination to be a termination without Cause outside of the Change in Control Period pursuant to that certain Executive Change in Control and Severance Agreement between you and the Company, dated May 18, 2020 (the "**Severance Agreement**"), and accordingly, the Company will pay you, as severance, the equivalent of nine (9) months of your base salary in effect as of the Separation Date (in the total amount of \$339,000), subject to standard payroll deductions and withholdings (the "**Base Salary Severance**"). This amount will be paid in accordance with the Company's normal payroll practices on the Company's regularly scheduled payroll dates, commencing with the first regularly scheduled payroll date that occurs at least eight (8) days following the later of: (a) the Separation Date, and (b) the Effective Date. You hereby request and authorize the Company to pay you this severance payment by direct deposit to the account specified by you during your employment.

4. Health Insurance. Your participation in the Company's group health insurance plan will end on the last day of the month in which the Separation Date occurs. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, you may be eligible to continue your group health insurance benefits at your own expense following the Separation Date. Later, you may be able to convert to an individual policy through the provider of the Company's health insurance, if you wish. You will be provided with a separate notice describing your rights and obligations

under COBRA and a form for electing COBRA coverage. As an additional severance benefit, subject to satisfaction of the Severance Preconditions, and provided that you timely elect continued coverage under COBRA, then the Company will pay directly the COBRA premiums required to continue your health insurance coverage (including coverage for eligible dependents, if applicable) through the period starting on the Separation Date and ending on the earliest to occur of: (a) nine (9) months after the last day of the month in which the Separation Date occurs;

(b) the date you become eligible for group health insurance coverage through a new employer; or

(c) the date you cease to be eligible for COBRA coverage for any reason (the "**COBRA Premiums**"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA

Premiums without a substantial risk of violating applicable law, then the Company instead shall pay you a fully taxable cash payment equal to the remaining COBRA Premiums due under this Section, subject to applicable tax withholdings, which you may, but are not obligated to, use toward the cost of COBRA premiums.

5. Equity Awards. Under the terms of your stock option, restricted stock award, and any other equity award agreement and the applicable plan documents, vesting of any potential stock options or other equity awards granted to you, if any (the "**Equity Awards**") will cease as of the Separation Date. Subject to satisfaction of the Severance Preconditions, the Company agrees to extend the period of time within which you may exercise any vested Equity Awards until the date that is twelve (12) months after the Separation Date. Except as expressly set forth in this paragraph, your Equity Awards will continue to be governed by the terms and conditions of the applicable stock option or other equity award agreement, applicable plan documents, and other equity awards documents.

6. Eligibility for CIC Severance Benefits. You will be eligible for increased severance benefits (the "**CIC Severance Benefits**") in the event that the Company experiences a Change in Control (as defined in the Severance Agreement) within three (3) months after the Separation Date. Specifically, subject to satisfaction of the Severance Preconditions, in the event that the Company experiences a Change in Control after July 31, 2022 but on or before October 31, 2022, then: (a) the Base Salary Severance set forth in Section 4 above will increase from nine (9) months to twelve (12) months of your base salary; (b) the potential COBRA Premiums set forth in Section 5(a) above will increase from nine (9) months to twelve (12) months; (c) the Company will pay you an additional cash severance payment in an amount equal to one hundred percent (100%) of your target annual bonus opportunity for 2022; and (d) the Company will accelerate 100% of any outstanding Equity Awards that are subject to time-based vesting (the "**Vesting Acceleration**") as of the effective date of the Change in Control. The Equity Awards will otherwise remain subject to the terms and conditions of the applicable Equity Awards agreements and documents. Notwithstanding anything stated herein or elsewhere to the contrary, if the successor to the Company or any affiliate of such successor does not agree to assume, substitute or otherwise continue any then outstanding Equity Awards at the time of a Change in Control, you shall receive the Vesting Acceleration as of immediately prior to and contingent upon the Change in Control. In the event that you become eligible for the CIC Severance Benefits after the severance benefits set forth in Section 4 and 5 herein have already been paid to you, then the Company will pay you the difference between the CIC Severance Benefits and the severance benefits previously paid to you, within fifteen (15) business days after the effective

date of the Change in Control. For the avoidance of doubt, under no circumstances will you be eligible for the full severance benefits set forth in Sections 4 and 5 and the CIC Severance Benefits.

7. Consulting Agreement. As an additional potential benefit, the Company may offer to engage you as a consultant or advisor, pursuant to and conditioned upon your signing a written consulting or advisor agreement in the form provided by the Company (the "**Consulting Agreement**"). Any consulting or advisor relationship will begin no earlier than two (2) business days after the Separation Date.

8. No Other Compensation or Benefits. You acknowledge and agree that the benefits offered to you herein fulfill and exceed all of the Company's obligations to pay you any severance benefits in connection with your employment termination, pursuant to your Severance Agreement and any other agreement, plan or policy. By executing this Agreement, you further agree and acknowledge that the Company's obligations to provide you any and all severance benefits, other than as set forth in this Agreement, are hereby extinguished. You further acknowledge that, except as expressly provided in this Agreement, you have not earned, will not earn by the Separation Date, and will not receive from the Company any additional compensation (including base salary, bonus, incentive compensation, or equity), severance, or benefits before or after the Separation Date, with the exception of any vested right you may have under the express terms of a written BRISA-qualified benefit plan (e.g., 401(k) account) or any vested stock options.

9. Expense Reimbursements. You agree that, within ten (10) calendar days after the Separation Date, you will submit your final documented expense reimbursement statement reflecting all business expenses you incurred through the Separation Date, if any, for which you seek reimbursement. The Company will reimburse you for these expenses pursuant to its regular business practice.

10. Return of Company Property. Within five (5) calendar days after the Separation Date (or earlier if requested by the Company), you will return to the Company all Company documents (and all copies thereof) and other Company property in your possession or control, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, drafts, financial and operational information, password and account information, research and development information, sales and marketing information, customer lists, prospect information, pipeline reports, sales reports, personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, your Company-provided laptop, computing and electronic devices, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions or embodiments thereof in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information by the close of business on the Separation Date or as soon as possible thereafter. Notwithstanding the foregoing, the Company will allow you to retain your Company laptop and other Company property in your possession or control necessary for you to perform consulting services under the Consulting Agreement, to be returned at the end of your

consulting or earlier if requested by the Company. If you have used any personally owned computer or other electronic device, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, within five (5) calendar days after the Separation Date (or earlier if requested by the Company), you shall provide the Company with a computer-useable copy of such information and then permanently delete and expunge such Company confidential or proprietary information from those systems; and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is completed. **Your timely compliance with this paragraph is a condition to your receipt of the severance benefits provided under this Agreement.**

11. Proprietary Information Obligations. You acknowledge and reaffirm your continuing obligations under your Confidential Information and Invention Assignment Agreement, a copy of which is attached hereto as *Exhibit A*.

12. Confidentiality. The provisions of this Agreement will be held in strictest confidence by you and will not be publicized or disclosed by you in any manner whatsoever; *provided, however*, that: (a) you may disclose this Agreement in confidence to your immediate family and to your attorneys, accountants, tax preparers and financial advisors; (b) you may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law; and (c) you may make statements and disclosures as permitted under the section of this Agreement entitled "Protected Rights." In particular, and without limitation, you agree not to disclose the terms of this Agreement to any current or former Company employee or independent contractor. Notwithstanding the foregoing, during the Consulting Period, you may inform Company employees and third parties that you are engaged as a consultant for the Company.

13. Non-disparagement. You agree not to disparage the Company, its officers, directors, employees, shareholders, parents, subsidiaries, affiliates, and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation; provided that you may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain you in any manner from making disclosures protected under the whistleblower provisions of federal or state law or regulation or other applicable law or regulation, nor from making statements and disclosures as set forth in the section of this Agreement entitled "Protected Rights."

14. No Voluntary Adverse Action. You agree that you will not voluntarily (except in response to legal compulsion or as permitted under the Protected Rights section below) assist any person in bringing or pursuing any proposed or pending litigation, arbitration, administrative claim or other formal proceeding against the Company, its parent or subsidiary entities, affiliates, officers, directors, employees or agents.

15. Cooperation. You agree to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of your employment by the Company. Such cooperation includes, without limitation, making yourself available to the Company upon reasonable notice, without subpoena,

to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will reimburse you for reasonable out-of-pocket expenses you incur in connection with any such cooperation (excluding foregone wages) and will make reasonable efforts to accommodate your scheduling needs.

16. No Admissions. You understand and agree that the promises and payments in consideration of this Agreement shall not be construed to be an admission of any liability or obligation by the Company to you or to any other person, and that the Company makes no such admission.

17. Release of Claims. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, you hereby generally and completely release the Company, and its affiliated, related, parent and subsidiary entities, and its and their current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, insurers, affiliates, and assigns from any and all claims, liabilities, demands, causes of action, and obligations, both known and unknown, arising from or in any way related to events, acts, conduct, or omissions occurring at any time prior to and including the date you sign this Agreement. This general release includes, but is not limited to: (a) all claims arising from or in any way related to your employment with the Company or the termination of that employment; (b) all claims related to your compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership, equity, or profits interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (e) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (the "**ADEA**"), the California Labor Code (as amended), the California Family Rights Act and the California Fair Employment and Housing Act (as amended). Notwithstanding the foregoing, you are not releasing the Company hereby from: (i) any obligation to indemnify you pursuant to the Articles and Bylaws of the Company, any valid fully executed indemnification agreement with the Company, or applicable law; (ii) any rights you have to file or pursue a claim for workers' compensation or unemployment insurance; (iii) any claims that cannot be waived by law; or (iv) any claims for breach of this Agreement.

18. Release Acknowledgements. You acknowledge that you have been advised, as required by California Government Code Section 12964.S(b)(4), that you have a right to consult an attorney regarding this Agreement and that you were given a reasonable time period of not less than five (5) business days in which to do so. You further acknowledge and agree that, in the event you sign this Agreement prior to the end of the reasonable time period, your decision to accept such shortening of time is knowing and voluntary and is not induced by the Company through fraud, misrepresentation, or a threat to withdraw or alter the offer prior to the expiration of the reasonable time period, or by providing different terms to employees who sign such an agreement prior to the expiration of the time period.

19. ADEA Release. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you have under the ADEA, and that the consideration given for the waiver and releases you have given in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (a) your waiver and release does not apply to any rights or claims arising after the date you sign this Agreement; (b) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (c) you have twenty one (21) days to consider this Agreement (although you may choose voluntarily to sign it sooner); (d) you have seven (7) days following the date you sign this Agreement to revoke this Agreement (in a written revocation sent to the chief executive officer of the Company); and (e) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the "**Effective Date**").

20. Section 1542 Waiver. In giving the release herein, which includes claims which may be unknown to you at present, you acknowledge that you have read and understand Section 1542 of the California Civil Code, which reads as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

You hereby expressly waive and relinquish all rights and benefits under that section and any law of any other jurisdiction of similar effect with respect to your release of claims herein, including but not limited to your release of unknown claims.

21. Protected Rights. You understand that nothing in this Agreement limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"). You further understand this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit your right to receive an award for information provided to the Securities and Exchange Commission, you understand and agree that, to maximum extent permitted by law, you are otherwise waiving any and all rights you may have to individual relief based on any claims that you have released and any rights you have waived by signing this Agreement. Nothing in this Agreement prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

22. Representations. You hereby represent that you have: been paid all compensation owed and for all hours worked; received all leave and leave benefits and protections for which you are eligible pursuant to the Family and Medical Leave Act, the

California Family Rights Act, or otherwise; and not suffered any on-the-job injury for which you have not already filed a workers' compensation claim.

23. Miscellaneous. This Agreement, including Exhibit A, constitutes the complete, final and exclusive embodiment of the entire agreement between you and the Company with regard to its subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in a writing signed by both you and a duly authorized officer of the Company. This

Agreement will bind the heirs, personal representatives, successors and assigns of both you and the Company, and inure to the benefit of both you and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question will be modified by the court so as to be rendered enforceable to the fullest extent permitted by law, consistent with the intent of the parties. This Agreement will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California without regard to conflict of laws principles. Any ambiguity in this Agreement shall not be construed against either party as the drafter. Any waiver of a breach of this Agreement shall be in writing and shall not be deemed to be a waiver of any successive breach. This Agreement may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

If this Agreement is acceptable to you, please sign below and return the original to me. **You have twenty-one (21) calendar days to decide whether to accept this Agreement, and the Company's offer contained herein will automatically expire if you do not sign and return it within that timeframe.**

We wish you the best in your future endeavors. Sincerely,

By: Dirk Thye
Dirk Thye
Chief Executive Officer

I HAVE READ, UNDERSTAND AND AGREE FULLY TO THE FOREGOING AGREEMENT:

Leslie Holsinger
Leslie Holsinger

Page 8

Date July 15, 2022

EXHIBIT A

CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT AGREEMENT

CORTEXYME, INC.
OUTSIDE DIRECTOR COMPENSATION POLICY ADOPTED: APRIL 9, 2019;
AMENDED AND RESTATED: JUNE 7, 2022
EFFECTIVE: MAY 8, 2019 (the “Effective Date”)

Each member of the Board of Directors (the “**Board**”) of Cortexyme, Inc. (the “**Company**”) who is not an employee of the Company (each such member, an “**Outside Director**”) will receive the compensation described in this Outside Director Compensation Policy (the “**Director Compensation Policy**”) for his or her Board service following the Effective Date.

The Director Compensation Policy may be amended at any time in the sole discretion of the Board.

Annual Cash Compensation

Each Outside Director will receive the cash compensation set forth below for service on the Board. The annual cash compensation amounts will be payable in arrears, in equal quarterly installments following the end of each fiscal quarter of the Company in which the service occurred. Any amount payable for a partial quarter of service will be pro-rated by multiplying such amount by a fraction, the numerator of which will be the number of days of service that the Outside Director provided in such quarter and the denominator of which will be the number of days in such quarter inclusive. All annual cash fees are vested upon payment. For purposes of clarity, the first quarterly installment of the annual retainers set forth below shall be paid for the first quarter that ends on or after the Effective Date, with the amount of such payment equal to the full quarterly installment, pro-rated as applicable based on the days of service that the Outside Director provided in such quarter regardless of whether such service was before or after the Effective Date.

1. Annual Board Member Service Retainer:

- a. All Outside Directors: **\$38,000**.
- b. Outside Director serving as Lead Independent Director: **\$14,500** (in addition to above).
- c. Outside Director serving as Chairperson of the Board: **\$14,500** (in addition to above).

2. Annual Committee Member Service Retainer:

- a. Member of the Audit Committee: **\$7,500**.
- b. Member of the Compensation Committee: **\$5,500**.
- c. Member of the Nominating and Corporate Governance Committee: **\$4,000**.

3. Annual Committee Chair Service Retainer (in lieu of Annual Committee Member Service Retainer):

- a. Chairperson of the Audit Committee: **\$15,000**.
 - b. Chairperson of the Compensation Committee: **\$11,000**.
 - c. Chairperson of the Nominating and Corporate Governance Committee: **\$8,000**.
-

Equity Compensation

Equity awards will be granted under the Company's 2019 Equity Incentive Plan or any successor equity incentive plan adopted by the Board and the stockholders of the Company (the "**Plan**").

(a) **Annual Grant for Continuing Outside Directors.** Without any further action of the Board, at the close of business on the date of each annual meeting of the Company's stockholders (an "**Annual Meeting**") following the IPO, each continuing Outside Director shall be granted a stock option award under the Plan covering the total shares of the Company's Common Stock set forth below (each, a "**Continuing Director Annual Option**"):

- (i) If the Outside Director's appointment to the Board was more than 6 months prior to the Annual Meeting, the stock option shall cover **27,000** shares of the Company's Common Stock.
- (ii) If the Outside Director's appointment to the Board was between 3 and 6 months prior to the Annual Meeting, the stock option shall cover **13,500** shares of the Company's Common Stock.
- (iii) If the Outside Director's appointment to the Board was less than 3 months prior to the Annual Meeting, the Outside Director shall not receive a stock option on the date of the Annual Meeting.

Each Continuing Director Annual Option shall vest 100% on the one-year anniversary of the grant date, subject to the applicable Outside Director's continued service as a member of the Board through each such vesting date.

(b) **Initial Grant for New Outside Directors.** Without any further action of the Board, each person who, after the Effective Date, is elected or appointed for the first time to be an Outside Director will automatically, upon the date of his or her initial election or appointment to be an Outside Director, be granted, a stock option award under the Plan covering **54,000** shares of the Company's Common Stock (a "**New Director Initial Option**"). That each New Director Initial Option shall vest in equal annual installments over the 3-year period following the grant date, subject to the applicable Outside Director's continued service as a member of the Board through each such vesting date.

(c) **Change in Control Vesting Acceleration.** Notwithstanding anything stated herein, for each Outside Director who remains in continuous service as a member of the Board until immediately prior to the closing of a "**Change in Control**" (as defined in the Plan), any unvested portion of any stock option award granted in consideration of such Outside Director's service as a member of the Board shall vest in full immediately prior to, and contingent upon, the consummation of the Change in Control.

(d) **Remaining Terms.** The remaining terms and conditions of each stock option award granted under this policy will be as set forth in the Plan and the Company's standard form of stock option award agreement, as amended from time to time by the Board or the Compensation Committee of the Board, as applicable.

Expenses

The Company will reimburse each Outside Director for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at, and participation in, Board and committee meetings; provided, that the Outside Director timely submits to the Company appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy, as in effect from time to time.

*[Certain confidential portions of this agreement (marked with [***]) have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K because the Company has determined that such redacted information is (i) not material, and (ii) is the type of information the company treats as private or confidential.]*

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this “Agreement”) is made and entered into as of June 3, 2020 (“Effective Date”), by and between PURDUE RESEARCH FOUNDATION, a statutory body corporate formed and existing under the Indiana Foundation or Holding Companies Act of 1921 (hereinafter referred to as “PRF”) with its business offices located at 1281 Win Henschel Boulevard, West Lafayette, Indiana and Novosteo Inc., an Indiana corporation (hereinafter referred to as “LICENSEE”) with its business offices located at 1281 Win Henschel Blvd, West Lafayette, IN, 47906, each individually referred to as a “Party” and collectively referred to as the “Parties.”

WITNESSETH

WHEREAS, Purdue researchers have made one or more valuable technologies (each, and collectively, “Technology”) which are the subject of one or more patent applications or patents described on **Schedule A**;

WHEREAS, the Purdue University Board of Trustees has, by general resolution and/or assignment, designated PRF to administer all matters pertaining to protection, use and commercialization of the intellectual property developed at Purdue University;

WHEREAS, LICENSEE desires to hereby enter into this Agreement whereby LICENSEE obtains rights to use the Technology and Licensed Patents; and

WHEREAS, PRF is willing to enter into this Agreement with LICENSEE, under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and premises contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

The following terms as used herein shall have the following meaning:

- 1.1** “Affiliate” means any entity which controls, is controlled by, or is under common control with another person or entity for so long as such control exists. For purposes of this definition only, “control” means (a) to possess, directly or indirectly (through one or more intermediaries), the power to direct the management or policies of an entity, whether through ownership of voting securities or by contract relating to voting rights or corporate governance, or (b) to own, directly or indirectly, more than fifty percent (50%) of the outstanding voting securities or other ownership interest of such entity.
 - 1.2** “Agreement” or “License Agreement” means this Agreement, including all attached Schedules.
 - 1.3** “Annual Period” means a calendar year during the Term of the Agreement.
 - 1.4** “Assignment” means an arm’s length transaction between LICENSEE and a Third Party under which the Third Party is permitted to assume all rights and obligations of LICENSEE under this Agreement thereby becoming the master licensee in place of LICENSEE under this Agreement.
 - 1.5** “Confidential Information” means all non-public information shared with LICENSEE under this Agreement including without limitation, the Licensed Intellectual Property, this Agreement including the financial terms, information regarding research, plans, specifications, processes, systems, methods,
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formulations, technical information, intellectual property, business and financial data. Confidential Information does not include: (1) information developed by the LICENSEE independently of the disclosed Confidential Information, and reasonable written documentation exists to demonstrate such development, (2) information rightfully obtained without restriction by LICENSEE from any third party who is not restricted from making such disclosure by any direct or indirect obligation of confidentiality to the disclosing Party herein, (3) information publicly available other than through the fault of the LICENSEE, (4) information intentionally released without restriction to anyone other than an Affiliate of PRF, (5) information known to the LICENSEE at the time of its disclosure, and reasonable written documentation exists to demonstrate such knowledge.

- 1.6** “Commercially Reasonable Efforts” means with respect to the commercialization of a Licensed Product, efforts that are consistent with those utilized by companies of size and type similar to LICENSEE (or, if applicable, a Sublicensee), for products with similar commercial potential at a similar stage, taking into consideration their cost to develop, the competitiveness of alternative products, the nature and extent of their market exclusivity, the likelihood of regulatory approval, their profitability, and all other relevant factors.
- 1.7** “Equity Agreement” means the agreement granting PRF equity shares in LICENSEE and entered into by the Parties on the Effective Date.
- 1.8** “Federal IP Policy” means the U.S. law and regulations applicable to intellectual property funded in whole or in part by the U.S. Government, including without limitation 35 U.S.C. §200 et seq., 15 U.S.C. §3710a, and 37 C.F.R. Part 401.
- 1.9** “Field of Use” means all fields of use, excepting only non-commercial research, scholarship, teaching, and education (excluding the manufacture of products for sale or lease) by research universities; bona fide nonprofit research, scientific, or educational organizations of the type described in §501(c)(3) of the Internal Revenue Code or qualified under a state nonprofit organization statute; and foreign equivalents of the foregoing .
- 1.10** “Fully Diluted Basis” means the total number of shares of LICENSEE’s issued and outstanding common stock, assuming:
- (a) the conversion of all issued and outstanding securities convertible into common stock; and
 - (b) the exercise of all issued and outstanding warrants or options, regardless of whether then exercisable.
- 1.11** “Gross Receipts” means the amounts received by or on behalf of LICENSEE, an Affiliate, or a Sublicensee in payment for the possession, use, manufacture, sale, or right to sell of Licensed Product(s) to a Third Party, less, to the extent actually taken or incurred, including the following: (a) product returns, discounts, rebates, or chargebacks; (b) excise and sales taxes or VAT; (c) tariffs specific to the Licensed Product; and (d) customer reimbursement of enumerated Third Party delivery charges. No adjustment or deduction from Gross Receipts shall be made or permitted for sales commissions, internal sales to Affiliates, or collection costs.
- 1.12** “Indemnitees” means PRF, Purdue University, and their respective officers, directors, employees, and legal representatives.
- 1.13** “Licensed Intellectual Property” means PRF’s ownership interest in the Technology, Technical Information, and Licensed Patents.
- 1.14** “Licensed Patents” means: (a) patents and patent applications listed on **Schedule A**; (b) patents and patent applications (including substitutions, divisionals, and continuations) filed upon authorization of PRF claiming priority to a patent or patent application listed on Schedule A, provided that the priority claim is not disallowed, (c) any reissue, renewal, reexamination, or extension of any patent or patent application described in (a) or (b); and (d) any foreign counterpart or equivalent, including, but not limited to, a national stage filing under the Patent Cooperation Treaty, of any patent or patent application described in (a), (b), or (c).
- 1.15** “Licensed Product” means a product or service, the development, manufacture, use, or sale of which uses the Technical Information or is covered by a Valid Claim within the Licensed Patents.
- 1.16** “Licensed Territory” means worldwide.
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- 1.17** “Payment Due Date” means the dates on which royalties and payments are due and payable. Such dates are [***] after a Reporting Period.
- 1.18** “Reporting Period” means quarterly periods ending on March 31st, June 30th, September 30th, and December 31st of an Annual Period.
- 1.19** “Royalty Term” means on a Licensed Product-by-Licensed Product basis and country-by-country basis, the period commencing on the date of first commercial sale until the later of (a) the expiration of the last Valid Claim covering such Licensed Product in such country and (b) [***] after first commercial sale in the Territory.
- 1.20** “Sublicense” means the grant to a Third Party of a right, license or other permission to use, in whole or in part, any part of the Licensed Intellectual Property by LICENSEE or an Affiliate pursuant to an agreement between LICENSEE or its Affiliate and such Third Party. The holder of a Sublicense is a “Sublicensee”.
- 1.21** “Sublicense Income” means the cash consideration received by Licensee in consideration for a Sublicense, but excluding any consideration for:
- (a) royalties or payments on sales of Licensed Products;
 - (b) payments made by a Sublicensee as consideration for the issuance of equity or debt securities of, or other investment in, Licensee or an Affiliate;
 - (c) reimbursement to Licensee or an Affiliate for Licensee’s actual costs of bona fide research, development, manufacturing or commercialization of Licensed Product(s) that are performed by or on behalf of Licensee or an Affiliate;
 - (d) reimbursements of patent expenses incurred by Licensee or its Affiliates with respect to such Licensed Product(s); and
 - (e) Sublicensee’s tax payments received by Licensee and payable to the taxing authority.
- 1.22** “Technical Information” means any non-public information identified in **Schedule A** or made available to LICENSEE [***] and may also include, without limitation, information regarding research, plans, specifications, processes, systems, methods, formulations, and technical information that is (a) owned or controlled by PRF or Purdue University, (b) disclosed to LICENSEE hereunder, and (c) necessary or useful to develop, manufacture, or commercialize Licensed Products. Technical Information does not include information: (1) developed by the LICENSEE independently of the disclosed Technical Information, and reasonable written documentation exists to demonstrate such development, (2) rightfully obtained without restriction by LICENSEE from any Third Party who is not restricted from making such disclosure by any direct or indirect obligation of confidentiality to the disclosing Party herein, (3) publicly available other than through the fault of the LICENSEE, (4) intentionally released without restriction to anyone other than an Affiliate of PRF, (5) known to the LICENSEE at the time of its disclosure, and reasonable written documentation exists to demonstrate such knowledge.
- 1.23** “Third Party” means an individual or entity other than PRF, LICENSEE, or an Affiliate of PRF or LICENSEE.
- 1.24** “Valid Claim” means (a) any claim in the Licensed Patents that is granted and (i) has not expired; (ii) has not been disclaimed; (iii) has not been cancelled or superseded, or if cancelled or superseded, has been reinstated; and (iv) has not been revoked, held invalid, or otherwise declared unenforceable or not allowable by a tribunal or patent authority of competent jurisdiction over such claim in such country from which no further appeal has or may be taken, or (b) any pending claim of the Licensed Patents that has not been abandoned or finally and conclusively rejected without the possibility of appeal or re-filing of such application.

ARTICLE 2

GRANT OF LICENSE

- 2.1** License. Subject to compliance with this Agreement, and subject to the reservation of rights stated below, PRF grants to LICENSEE, and LICENSEE accepts, a royalty-bearing, exclusive, license to make or have made, use, sell or have sold, and import, and otherwise exploit Licensed Products under the Licensed Intellectual Property, including the right to grant and authorize sublicenses, in the Field of Use and the Licensed Territory.
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- 2.2** Rights to Affiliate(s). Pursuant to a Sublicense, LICENSEE may extend rights granted to LICENSEE under this Agreement to any Affiliate(s) of LICENSEE.
- 2.3** No Implied License. The Agreement shall not be construed to confer any license or rights upon LICENSEE by implication, estoppel, or otherwise to any intellectual property, research, development, data, results or technology, including any patent, patent application, trademark, trademark application, copyright, trade secret, tangible research property or other proprietary right, in whole or in part, not specifically and expressly stated in this Agreement. Any right owned or controlled by PRF that is not expressly granted to LICENSEE under this Agreement is expressly reserved by PRF.
- 2.4** Government Rights. The Licensed Intellectual Property, or portions thereof, may have been developed with financial or other assistance provided by the United States government. As applicable, LICENSEE acknowledges and agrees that in accordance with Public Law 96-517 and other statutes, regulations, and Executive Orders as now exist or may be amended or enacted including without limitation the Federal IP Policy, the United States Government has certain rights to the Licensed Intellectual Property. LICENSEE shall take all action necessary to enable PRF, on behalf of Purdue University, to satisfy its obligations under any federal law and shall not take any action or cause the taking of such action contrary to fulfillment of these obligations.
- 2.5** Sublicenses. A proposed Sublicense shall become effective [***]. LICENSEE shall be responsible for the acts and omissions of each Sublicensee hereunder, including but not limited to the payment of all fees and royalties due under this Agreement. LICENSEE shall take reasonable efforts to ensure Sublicensee's compliance with the terms and conditions of the license granted by PRF under this Agreement. LICENSEE shall promptly provide PRF a copy of each executed Sublicense, which may be redacted to the extent the terms thereof are not necessary to determine compliance with this Agreement.

ARTICLE 3

COMMERCIALIZATION PLAN AND DEVELOPMENT MILESTONES

- 3.1** Diligence and Commercialization. A true and complete copy of LICENSEE's Commercialization Plan is attached hereto as **Schedule B** (the "**Commercialization Plan**"). PRF makes no assurances, warranties or representations that the Commercialization Plan is consistent with the regulatory or legal approvals needed for development or commercialization of the Licensed Products nor does PRF represent or warrant that LICENSEE has freedom to operate with respect to the Licensed Patent(s). Any amendment of the Commercialization Plan that will materially alter or affect the timely achievement of any Development Milestone shall require the consent and approval of PRF.
- 3.2** Reports.
- a)** Progress Reports. Beginning the first full Annual Period in which this Agreement is in effect, LICENSEE shall complete the Licensee Progress Report attached as **Schedule C**. Annual written reports are due on [***] shall be required thereafter, until sales of Licensed Products are made.
 - b)** Royalty Reports. For each Reporting Period after the sale of the first Licensed Product is made, LICENSEE shall report to PRF the information specified in **Schedule D** ("Royalty Report Requirements"), which are required even if no earned royalties are due. Gross Receipts shall be converted to U.S. Dollars at the exchange rate existing between the U.S. Dollar and the relevant currency on the last day of the applicable Reporting Period.
 - c)** Any information or reports provided shall be treated as Confidential Information of LICENSEE provided however that PRF may disclose such information to: (1) Purdue University, (2) its employees, agents, consultants or advisors on a need to know basis and (3) reporting agencies in a cumulative manner.
- 3.3** Performance According to Plans. LICENSEE shall timely perform in accordance with the Commercialization Plan.
- 3.4** Licensed Products to Market. LICENSEE shall use Commercially Reasonable Efforts to bring one or more Licensed Products to market as soon as practicable in accordance with the Commercialization Plan.
-

3.5 Development Milestones. LICENSEE shall timely achieve the Development Milestones by the applicable dates set forth on **Schedule E** (“**Development Milestones**”). LICENSEE will have the right to purchase [***] (“**Extension**”) by making a payment of [***].

ARTICLE 4
CONSIDERATION FOR LICENSE

4.1 Unit Royalties. During the Royalty Term, LICENSEE shall pay PRF an earned royalty of [***] of Gross Receipts (“Unit Royalties”) provided that the Unit Royalty shall be reduced by [***] for any Licensed Product that is not, or is no longer, covered by a Valid Claim in the country of manufacture, use, offer for sale, or sale, or import for the remainder of the Royalty Term. Royalties shall be due and payable on or before the Payment Due Date for each preceding Reporting Period.

4.2 Anti-Stacking. If, during the Term (as defined below), LICENSEE makes royalty payments to any Third Party in consideration for a license under any issued patent claim which, but for said license, would be infringed by LICENSEE’s practice of a Licensed Patent, [***] of any payments made in consideration for such license(s) based on [***] shall be deductible from any Unit Royalties due to PRF hereunder for such Licensed Product; provided that the amount of Unit Royalties payable to PRF hereunder shall not be reduced by [***] of the amounts owed pursuant to Section 4.1 for such Licensed Product.

4.3 Minimum Annual Royalty. LICENSEE shall pay PRF a guaranteed minimum annual royalty as shown below beginning with the Annual Period following the calendar year in which the first sale of the first Licensed Product occurs (“MAR Trigger Year”). The amounts due from LICENSEE to PRF as Unit Royalties in each Annual Period shall be creditable against the minimum annual royalties for that Annual Period. In the event that the Unit Royalties for an Annual Period do not exceed the minimum annual royalty for that Annual Period, LICENSEE’s payment for the last Reporting Period of each Annual Period shall include the balance needed to achieve the minimum annual royalties for that Annual Period.

Tier 1: MAR Trigger Year through Year [***] following MAR Trigger Year	[***]
Tier 2: Years [***] following MAR Trigger Year	[***]
Tier 3: All years subsequent to Tier 2 until the Term expires	[***]

4.4 Equity. As further consideration, LICENSEE will grant to PRF [***] shares of common stock in LICENSEE. The shares shall be issued upon PRF’s execution and delivery of a stock issuance agreement, which shall contain customary representations, warranties and covenants and an agreement to execute any agreements or documents that may be required by investors in connection with a Qualified Investment (as defined below). When issued, those shares of common stock will represent [***] of the common stock in LICENSEE on a Fully Diluted Basis as of the date of this license. LICENSEE agrees the shares are valued at [***] per common share. LICENSEE has provided PRF with the pro forma capitalization table, attached hereto as **Schedule F** upon which the above calculation is made.

4.5 Anti-Dilution Protection. From time to time and until LICENSEE receives at least [***] in the aggregate from one or more investors in connection with a bona fide equity investment in LICENSEE (such investment, a “Qualified Investment”), if LICENSEE sells and issues additional shares of capital stock to one or more investors, LICENSEE will issue to PRF within [***] of such sale and issuance, without further consideration or action by PRF, such number of any additional shares of common stock necessary to ensure that the number of shares issued to PRF pursuant to Section 4.4 and this Section 4.5 represents, in the aggregate, [***] of the shares issued and outstanding on a Fully Diluted Basis as of the date of such sale and issuance of capital stock to such investors in accordance with the terms of the stock issuance agreement; provided, however, that with respect to additional issuances of common stock to PRF in connection with the Qualified Investment, the Fully Diluted Basis shall only take into account such shares of capital stock issued or issuable upon the investment of such [***] and not shares of capital stock issued in connection with investments above such threshold.

4.6 Sublicensing Income. LICENSEE shall pay PRF a percentage, as shown below, of Sublicensing Income received by the Licensee or its Affiliates of any consideration (other than Unit Royalties) in any form received by LICENSEE or Affiliates, if applicable, from a Sublicensee in connection with Licensed Intellectual Property including without limitation up-front fees, license signing fees, license maintenance fees, milestone payments, success fees, an ownership interest in the Sublicensee delivered to LICENSEE or its designee(s), and any other consideration paid by or on behalf of the Sublicensee (“Sublicense Income”). Unit Royalties payable to PRF on a Sublicensee’s Gross Receipts are not Sublicense Income.

If the Sublicense is executed prior to [***]	[***]
If the Sublicense is executed prior to [***] and after [***]	[***]
If the Sublicense is executed prior to [***] and after [***]	[***]
If the Sublicense is executed after [***]	[***]

Any Sublicense Income payments to PRF are due within [***] of receiving such Sublicense Income payment from Sublicensee.

4.7 License Fee. [***].

4.8 Maintenance Fees. LICENSEE shall pay PRF a non-refundable maintenance fee per annum as shown below through and including the Annual Period in which the first sale of a Licensed Product occurs.

First anniversary of Effective Date through [***] of the Effective Date	[***]
[***] of Effective Date through [***] of Effective Date	[***]
[***] of Effective Date through [***] of Effective Date	[***]
[***] of Effective Date and onward	[***]

4.9 Milestone Payments. LICENSEE will pay to PRF the following milestone payments for each Licensed Product covered by a Valid Claim to achieve such milestone, which are non-refundable and non-creditable against Unit Royalties and other payment(s) under this Agreement due to PRF. Any milestone payments to PRF are due within [***] of achieving such milestone.

Milestone	Milestone Payment
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

**ARTICLE 5
PAYMENTS**

5.1 Payments. Royalties shall be due and payable on or before the Payment Due Date for each preceding Reporting Period. LICENSEE shall make royalty payments to PRF in U.S. Dollars at the address below.

If originating outside of the United States, payments shall be made by wire transfer at LICENSEE's expense to an account identified by PRF.

Purdue Research Foundation
Office of Technology Commercialization
1281 Win Hentschel Blvd
West Lafayette, IN 47906
Attn: Accounting

- 5.2 Interest. Interest shall accrue on overdue payments required under this Agreement at the rate of [***], commencing on the [***] after the Payment Due Date.

ARTICLE 6 RECORDS

- 6.1 Records of Sales. During the Term of this Agreement and for a period of [***] thereafter, LICENSEE shall keep true and accurate records of all information relating to Gross Receipts, Unit Royalties, if applicable, Sublicensing Income, and verification of LICENSEE's calculation of amounts payable to PRF under this Agreement. LICENSEE shall make information available to PRF for audit in accordance with Section 6.2 upon PRF's request, which shall not be made more often than once per Annual Period.
- 6.2 Audit of Records. PRF shall have the right, upon reasonable advance notice and during normal business hours through an independent certified public accountant, to examine the records of LICENSEE, if applicable, Sublicensees and any contractors or distributors, to verify compliance with this Agreement. Such examination and verification shall not occur more than [***]. Unless otherwise agreed in writing by LICENSEE, the fees and expenses of performing such examination and verification shall be borne by PRF. If such examination reveals an underpayment by LICENSEE of more than [***] for any year examined, LICENSEE shall pay PRF the amount of such underpayment plus interest in accordance with this Agreement and shall reimburse PRF for all expenses of the accountant performing the examination.

ARTICLE 7 PATENT PROSECUTION

- 7.1 Prosecution and Maintenance of Licensed Patent(s). The prosecution and maintenance of the Licensed Patent(s) shall be the sole responsibility of PRF, provided however, PRF shall (a) provide LICENSEE with copies of all relevant patent filing and prosecution documentation and correspondence so that LICENSEE may be informed and (b) give LICENSEE and its designees reasonable opportunity to advise PRF on the filing, prosecution and maintenance of Licensed Patent(s), including review of filings and draft responses prior to filing with the patent office. Provided LICENSEE is in compliance with the terms of this Agreement, PRF agrees that all comments by LICENSEE (and its designees) shall be considered in good faith by PRF and its prosecuting counsel.
- a) General Matters. The Parties agree to cooperate with respect to prosecution of the Licensed Patent(s) in all reasonable ways, including obtaining inventors' signatures on the relevant documents, inventor review of the application, discussion of office actions, and the like.
 - b) Discontinuance of Support. LICENSEE, upon [***] advance written notice to PRF, may advise PRF that it no longer wishes to pay expenses for filing, prosecuting or maintaining one or more Licensed Patent(s) in one or more countries. As of the date of notice to PRF, LICENSEE's grant of license to such Licensed Patent(s) shall terminate in such country(ies). LICENSEE acknowledges that PRF may, at its sole option, elect to pay such expenses or permit such Licensed Patent(s) to become abandoned or lapsed.
 - c) In the event PRF elects to abandon any patent or patent application within the Licensed Patents, not due to discontinuance of support or by direction of LICENSEE, PRF shall notify LICENSEE at least [***] in advance of the next applicable deadline with the
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applicable patent office, in which case LICENSEE shall have the right (but not the obligation) to assume control of the filing, continued prosecution and maintenance of such patents and patent applications (including any patent issuing therefrom) at LICENSEE'S expense and using counsel selected by LICENSEE.

- 7.2** Foreign Patent Prosecution. With respect to any non-U.S. territory in which it proposes to file a patent application, PRF shall notify LICENSEE [***] before the applicable national phase filing deadline. PRF agrees to file and prosecute a patent application in any country regarding which it receives written notice from LICENSEE requesting such filing as long as: (a) LICENSEE's written notice is received by PRF at least [***] before the applicable deadline; (b) LICENSEE agrees to pay PRF the fees and costs due for the non-U.S. territory filing or prosecution; and (c) LICENSEE is not in default of any of its obligations under this Agreement as of the date written notice is received by PRF.
- 7.3** Reimbursement for Expenses. LICENSEE shall bear all fees and costs incurred prior to and after the Effective Date through the Term of this Agreement in connection with the preparation, filing, prosecution, defense (including but not limited to interference, derivatization, reexamination, opposition, and post-allowance proceedings), and maintenance of the Licensed Intellectual Property ("IP Expenses"). LICENSEE shall reimburse PRF for the IP Expenses [***] after PRF notifies LICENSEE of the amount of the IP Expenses.
- 7.4** Failure to Pay Expenses. If LICENSEE fails to timely reimburse PRF as specified herein for a particular Licensed Patent, PRF may, in its sole discretion, suspend or cease prosecution and/or maintenance of all or part of that Licensed Patent(s), and/or pursue default and termination remedies as specified in Article 13.

ARTICLE 8

INFRINGEMENT

- 8.1** Notice of Infringement. LICENSEE shall take all appropriate measures to protect PRF's interests in the Licensed Intellectual Property. LICENSEE shall not permit any entity, individual or firm to practice under the Licensed Intellectual Property, except as authorized in this Agreement. Each Party shall promptly inform the other Party of any suspected infringement of any Licensed Patent(s) in writing, describing the facts relating thereto in reasonable detail.
- 8.2** Licensee Enforcement. For Licensed Intellectual Property that is exclusively licensed in all fields of use, in all territories, to LICENSEE pursuant to this Agreement, LICENSEE shall have the right, but not obligation, to initiate suit or take other appropriate action ("Suit") that LICENSEE believes is reasonably required to protect the Licensed Technology. In the event that there is no pre-Suit agreement by PRF to participate voluntarily as a co-plaintiff in the Suit, then to the extent necessary to confer standing on LICENSEE, PRF hereby agrees not to object to LICENSEE requesting a court of competent jurisdiction to involuntarily join PRF pursuant to Federal Rule of Civil Procedure 19 as a co-plaintiff in such Suit. In connection with any Suit, LICENSEE shall fully and completely defend and indemnify PRF from and against all costs (including attorney fees) and liabilities (whether under a counterclaim or otherwise) of every kind incurred by PRF in connection with any Suit. To the extent that any Suit seeks a recovery of damages for infringement of a Licensed Patent, the Parties who participate in the Suit shall agree to negotiate in good faith to establish an equitable formula for sharing of the net recovery in the Suit. In the event that said negotiation is unsuccessful, apportionment of damages among the plaintiffs in the Suit shall be a task for the finder of fact in the Suit.
- 8.3** PRF Enforcement. In the event LICENSEE elects not to exercise its right to initiate an enforcement action or has not commenced such an enforcement action within a [***] of notice of an infringement by PRF, PRF may initiate an enforcement action at its own expense and controlling such action. LICENSEE shall reasonably cooperate with PRF's in connection with such action.
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ARTICLE 9
CONFIDENTIALITY

- 9.1** Agreement Terms. During and subsequent to the Term of this Agreement, each Party shall keep the financial terms of this Agreement confidential and permit access only by the Party's officers, directors, employees, professional advisors, and investors, prospective investors, and business partners on a need-to-know basis and who are under confidentiality obligations. In the event of a subpoena or other court order compelling release of this Agreement to a Third Party, the compelled Party shall seek appropriate provision for protection of this Agreement as confidential information.
- 9.2** Confidential Information. "Confidential Information" means any proprietary information, technical data, trade secrets or know-how, including, but not limited to, research and product plans, products, services, markets, developments, inventions, processes, formulas, technology, marketing, finances or other business information disclosed by or on behalf of a Party to the other Party pursuant to this Agreement, in oral, visual, written or electronic form. Technical Information is Confidential Information of PRF. However, Confidential Information shall not include:
- (i) information which at the time of disclosure hereunder is already generally known or publicly available;
 - (ii) information which after disclosure hereunder becomes generally known or publicly available other than through any act or omission of the receiving Party in violation of this Agreement;
 - (iii) information that was in possession of the receiving Party prior to disclosure to the receiving Party under this Agreement; and
 - (iv) information which is hereafter lawfully disclosed by a third party to the receiving Party, which information such third party did not acquire under a still effective obligation of confidentiality to the other Party; or
 - (v) information that was independently developed by the receiving Party without use of, reference to or reliance upon the other Party's Confidential Information as evidenced by written records.
- 9.3** Non-Disclosure. Subject to the obligations of this Article 9, during the Term and for a period of [***] thereafter, each Party shall treat all Confidential Information of the other Party as strictly confidential and to make no use of it, except for purposes of exercising its rights or fulfilling its obligations under this Agreement, without the prior written and express consent of the other Party.
- 9.4** Maintenance of Confidentiality. Both Parties shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the Confidential Information. Without limiting the foregoing, the Parties shall take at least those measures it employs to protect its own most highly Confidential Information. Each Party shall promptly notify the other Party of any unauthorized use or disclosure, or suspected unauthorized use or disclosure, of Confidential Information.
- 9.5** Permitted Disclosures. Each Party may disclose Confidential Information to its officers, employees, actual and potential investors, acquirers, partners and collaborators, contractors and consultants (including lawyers and financial advisors) who need to know for purposes of this Agreement and are subject to confidentiality obligations at least as protective of such Confidential Information as this Article 9.
- 9.6** Disclosure Required by Law. Notwithstanding the above, each Party may disclose the other Party's Confidential Information to the extent required by law, regulation, or stock exchange requirement, provided that such Party shall (unless legally prohibited) give the other Party prompt written notice in order for such other Party to have the opportunity to take appropriate measures to protect its Confidential Information.
- 9.7** Right to Equitable Relief. Both Parties agree that any violation of this Article 9 may cause irreparable injury to the non-breaching Party, entitling the non-breaching Party to seek injunctive relief in addition to
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all legal remedies without showing or proving any actual damage and without any bond required to be posted.

ARTICLE 10 DISPUTE RESOLUTION

10.1 Negotiation. If a dispute between the Parties related to this Agreement arises, either Party, by written notice to the other Party detailing the points of dispute (“Dispute Notice”), may have the dispute referred to the Parties’ respective officers designated below, or their successors, for attempted resolution by good faith negotiations within [***] from the date of the Dispute Notice. The designated officers are as follows:

For PRF: Vice President, OTC
For LICENSEE: CEO, Novosteo

ARTICLE 11 WARRANTY, MERCHANTABILITY AND EXCLUSION OF WARRANTIES

11.1 Limited Warranty. Each Party warrants to the other that it is fully empowered to enter into this Agreement. PRF represents, to the best of its knowledge that there are not, as of the Effective Date, any claims, demands, suits, or judgments against it that interfere with PRF’s performance of the license granted by PRF to LICENSEE under this Agreement.

11.2 Warranty by LICENSEE. LICENSEE represents and warrants that:

- a) LICENSEE is a corporation duly organized, validly existing, and in good standing under the laws of the State of Indiana. LICENSEE has all requisite corporate power and authority to own, operate, and lease its properties, to carry on its business as now being conducted and as contemplated by this Agreement, to enter into this Agreement, and to carry out the transactions contemplated hereby. Specifically, LICENSEE warrants that it possesses the necessary expertise and skill to make, and has made, its own evaluation of the capabilities, safety, utility, and commercial application of the Licensed Patent(s).
- b) No consent, approval, or authorization of or designation, declaration, or filing with any governmental authority or other person is required on the part of LICENSEE in connection with the execution, delivery or performance of this Agreement.
- c) LICENSEE (and, to LICENSEE’s knowledge, none of LICENSEE’s personnel) is not a party to any agreement or instrument or subject to any charter or other corporate restriction or any judgment, order, writ, injunction, or, to LICENSEE’s knowledge, any rule or regulation which materially and adversely affects the operations, prospects, properties, assets, or condition (financial or otherwise) of LICENSEE.

11.3 Exclusion of Warranties by PRF. PRF does not warrant the validity of the Licensed Intellectual Property, any material, or information provided by PRF, nor does PRF warrant that the foregoing are free of error or defect. PRF makes no representation whatsoever with regard to the scope or commercial potential or profitability or income of or from Licensed Intellectual Property or Licensed Products or that the Licensed Intellectual Property or Licensed Products may be exploited by LICENSEE without infringing any rights of any other party. PRF makes no covenant either to defend any infringement charge by a third party or to institute action against infringers of Licensed Intellectual Property. PRF does not warrant that any product or service within the scope of the Licensed Intellectual Property will meet LICENSEE’S or any of LICENSEE’S customer’s specific requirements. ACCORDINGLY, THE LICENSED INTELLECTUAL PROPERTY IS PROVIDED “AS IS.” Other than as expressly stated in this Agreement, PRF MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE LICENSED INTELLECTUAL PROPERTY AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER IMPLIED WARRANTIES WITH RESPECT TO THE CAPABILITIES, SAFETY,

UTILITY, TRADE, USAGE, OR COMMERCIAL APPLICATION OF THE LICENSED INTELLECTUAL PROPERTY.

- 11.4** Exclusion of Warranties by LICENSEE. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, LICENSEE EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT, EITHER EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF NON INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. LICENSEE DOES NOT MAKE ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, THAT ANY OF THE RESEARCH, DEVELOPMENT AND/OR COMMERCIALIZATION EFFORTS WITH REGARD TO ANY LICENSED PRODUCT WILL BE SUCCESSFUL.

ARTICLE 12

DAMAGES, INDEMNIFICATION, AND INSURANCE

- 12.1** No Liability. Neither Party will be liable for any special, incidental, indirect, or consequential damages resulting from defects in the design, testing, labeling, manufacture, distribution, sale, use or other application of any Licensed Intellectual Property developed, manufactured, tested, designed, sublicensed, or sold pursuant to this Agreement; provided, however, the foregoing sentence shall have no application to LICENSEE's obligations under Section 12.2. Neither Party shall be liable to the other Party or any Third Party for any special, consequential, exemplary or incidental damages (including lost or anticipated revenues or profits relating to the same), arising from any tort claim relating to this agreement.
- 12.2** Indemnification. LICENSEE shall defend, indemnify and hold Indemnitees harmless from any Third Party claims, demands, actions and causes of action, arising in connection with any and all injuries, losses, damages or liability of any kind whatsoever arising out of the practice under the Licensed Intellectual Property pursuant to this Agreement, or the use, exploitation, distribution, or sale of Licensed Product(s). This indemnification obligation shall include, without limiting the generality of the foregoing, reasonable attorney fees and other costs or expenses incurred by Indemnitees in connection with the defense of any and all such claims, demands, actions, or causes of action. Such indemnification obligations shall not apply to the extent such Third-Party actions are the result of an Indemnitee's negligence, willful misconduct, or breach of this Agreement.
- 12.3** Insurance. Prior to the date on which LICENSEE has a Licensed Product available to any consumer, and in conjunction with each Royalty Report made under Article 3 at the end of an Annual Period, LICENSEE shall supply PRF with a certificate of insurance confirming coverage as follows: Not less than [***] and [***] for comprehensive general liability, including an endorsement for product liability claims arising from Licensed Products. As applicable, prior to inception of a clinical trial, LICENSEE shall supply PRF with a certificate of insurance confirming coverage in an amount reasonable and consistent with industry norms for the relevant clinical trial.
- 12.4** Notice of Claims. An Indemnitee that intends to claim indemnification under this Article 12 shall promptly notify the LICENSEE in writing of any claim with respect to which such Indemnitee intends to claim such indemnification, and LICENSEE shall have sole control of the defense and settlement of the claim. The Indemnitee shall have the right to participate, at its own expense, with counsel of its own choosing in the defense or settlement of the claim. The indemnification obligations under this Article 12 shall not apply to amounts paid in settlement of any claim if such settlement is effected without the consent of the LICENSEE. The Indemnitee and its employees, at the LICENSEE's request and expense, shall provide full information and reasonable assistance to LICENSEE and its legal representatives with respect to claims.

ARTICLE 13

TERM AND TERMINATION

- 13.1** Term. Unless extended in writing by mutual agreement of the Parties, the term of this Agreement shall commence on the Effective Date and shall expire on a Licensed Product-by-Licensed Product and
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country-by-country basis, upon the expiration of the Royalty Term for such Licensed Product in such country, unless earlier terminated pursuant to this Article 13 (the “Term”).

- 13.2** Termination by PRF.
- a) Failure to Pay. In the event of a failure by LICENSEE to pay PRF any sum due and payable under this Agreement, and failure of LICENSEE to cure the nonpayment default within [***] from the date of PRF sending written notice to LICENSEE of the default, PRF may terminate this Agreement and the license granted hereunder, effective as of the date of PRF’s issuance of written notice confirming LICENSEE’s failure to cure.
 - b) Other Breach. In the event of any default or material breach of this Agreement by LICENSEE other than for nonpayment or loss of financial capability, PRF may terminate this Agreement and the license granted hereunder after serving LICENSEE with written notice of the default or material breach. If LICENSEE fails to cure the default or breach within [***] from the date of PRF sending written notice of the default to LICENSEE, the termination becomes automatically effective at the conclusion of [***] period; provided, however, if any default or breach cannot be cured by the exercise of due diligence within [***] days, then the time for cure may be extended, in PRF’s sole discretion, for the time reasonably necessary to effect the cure (the extension not to exceed [***]), provided that LICENSEE promptly commences to cure within said period and at all times thereafter proceeds diligently to cure the default or breach.
- 13.3** Termination by LICENSEE. LICENSEE may terminate its license under this Agreement without cause upon written notice delivered to PRF not less than [***] prior to the date on which LICENSEE intends for the termination to be effective.
- 13.4** Failure to Enforce. The failure of PRF at any time, or for any period of time, to enforce any provision of this Agreement shall not be construed as a waiver of such provision or as a waiver of the right of PRF thereafter to enforce each and every provision of this Agreement.
- 13.5** Assignment of Sublicenses. LICENSEE shall take all steps necessary to terminate each Sublicense, effective as of the date of termination of LICENSEE’s license from PRF under this Agreement. Upon reasonable request of LICENSEE and Sublicensee and verification by Sublicensee that LICENSEE is not in default of any obligation to Sublicensee, PRF may accept, in its sole discretion, assignment of a Sublicense, including the right to all consideration promised to LICENSEE thereunder. Notwithstanding anything contained in this Agreement to the contrary, PRF shall not be bound by any of the following with respect to a Sublicense: (1) duties or obligations of the LICENSEE to Sublicensee which cannot be assumed or performed by PRF because they are inconsistent with applicable laws or policies then in effect; (2) duties or obligations of the LICENSEE that exceed the obligations of PRF as licensor in this Agreement; and/or (3) duties or obligations of the LICENSEE contained in any Sublicense that are not contained in this Agreement, or which extend beyond the Term.
- 13.6** Effect of Termination; Survival. Promptly following termination of this Agreement LICENSEE shall either certify to PRF the destruction or disablement of all inventory of Licensed Products or turn over all inventory of Licensed Products to PRF. Expiration or termination of this Agreement does not relieve either party of any obligation which arises before expiration or termination, including without limitation obligations for payment and reporting; provided, however, PRF, in its sole discretion, may waive outstanding obligations if LICENSEE provides a satisfactory, final report to PRF regarding the commercial potential of the Technology. Any provision of this Agreement which contemplates performance or observance subsequent to any termination or expiration of this Agreement shall survive any termination or expiration of this Agreement and continue in full force and effect, including Articles 1, 9, 10, and 14 and Sections 6.1, 11.1, 11.4., 12.1, 12.2, 12.4, 13.5, 15.2, 15.4, 15.6, 15.8, 15.9, and 15.12.

ARTICLE 14

NOTICES

Except as otherwise provided herein, all notices and other communications shall be hand delivered, sent by private overnight mail service, or sent by registered or certified U.S. mail, postage prepaid, return receipt requested,

electronic mail, read receipt requested, and addressed to the Party to receive such notice or other communication at the address given below, or such other address as may hereafter be designated by notice in writing:

If to PRF Purdue Research Foundation
Office of Technology Commercialization
1801 Newman Road
West Lafayette, IN 47906
E-mail: [***]
ATTN: Vice President, OTC

If to LICENSEE Novosteo, Inc
1281 Win Hentschel Blvd.
West Lafayette, IN 47906

Such notices or other communications shall be effective upon receipt by an employee, agent or representative of the receiving party authorized to receive notices or other communications sent or delivered in the manner set forth above.

ARTICLE 15

MISCELLANEOUS

- 15.1** Export Controls. LICENSEE agrees to comply with all applicable U.S. laws dealing with the export and/or management of technology or information. LICENSEE understands that the Arms Export Control Act (AECA), including its implementing International Traffic In Arms Regulations (ITAR,) and the Export Administration Act (EAA), including its Export Administration Regulations (EAR), are some (but not all) of the laws and regulations that comprise the U.S. export laws and regulations. LICENSEE further understands that the U.S. export laws and regulations include (but are not limited to): (a) ITAR and EAR product/service/data-specific requirements; (b) ITAR and EAR ultimate destination-specific requirements; (c) ITAR and EAR end user-specific requirements; (d) ITAR and EAR end use-specific requirements; (e) Foreign Corrupt Practices Act; and (f) anti-boycott laws and regulations. LICENSEE agrees to comply with all then-current applicable export laws and regulations of the U.S. Government (and other applicable U.S. laws and regulations) pertaining to the product(s) and/or service(s) covered by the Licensed Patents (including any associated products, items, articles, computer software, media, services, technical data, and other information). LICENSEE certifies that it will not, directly or indirectly, export (including any deemed export), nor re-export (including any deemed re-export) the Licensed Products (including any associated products, items, articles, computer software, media, services, technical data, and other information) in violation of U.S. export laws and regulations or other applicable U.S. laws and regulations.
- 15.2** Jurisdiction. Venue, Choice of Law, and Attorney's Fees. Any justiciable dispute between LICENSEE and PRF shall be determined solely and exclusively under Indiana law by a court of competent jurisdiction in Tippecanoe County in Indiana, and LICENSEE hereby consents to the personal jurisdiction of courts in Indiana for that purpose. The prevailing Party in any litigated dispute shall be entitled to reimbursement of its reasonable and necessary attorney's fees and costs. Any proof of the necessity of those fees and costs shall include evidence that the prevailing Party complied with the procedures of Article 10 of this Agreement.
- 15.3** Legal Compliance. LICENSEE shall comply with all laws and regulations relating to its manufacture, processing, production, use, sale, or distribution of Licensed Products. LICENSEE shall not take any such action which would expose PRF or Purdue University to violation of any law and regulation.
- 15.4** Independent Contractor. LICENSEE's relationship to PRF shall be that of a licensee only. LICENSEE is not be an agent of PRF and shall have no authority to act for or on behalf of PRF in any matter.
- 15.5** Patent Marking. LICENSEE shall mark Licensed Products sold in the United States with United States patent numbers for the Licensed Patents, in accordance with applicable law. Licensed Products
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manufactured or sold in other countries shall be marked in compliance with the intellectual property laws in force in such foreign countries.

- 15.6** Use of Names. Each Party shall obtain the written approval of the other Party prior to making use of such other Party's name for any commercial purpose, except as required by law. As an exception to the foregoing, LICENSEE and PRF each may publicize the existence of this Agreement, but may not publicize the terms and conditions of this Agreement without the other Party's consent, except as required by law.
- 15.7** Place of Execution. This Agreement and any subsequent modifications or amendments hereto shall be deemed to have been executed in the State of Indiana, U.S.A.
- 15.8** Governing Law. This Agreement and all amendments, modifications, alterations, or supplements hereto, and the rights of the Parties hereunder, shall be construed under and governed by the laws of the State of Indiana (without regard to conflict of law rules) and the United States of America.
- 15.9** Severability. All rights and restrictions contained herein may be exercised and shall be applicable and binding only to the extent that they do not violate any applicable laws and are intended to be limited to the extent necessary so that they will not render this Agreement illegal, invalid or unenforceable. To the extent legally permissible, any illegal, invalid or unenforceable provision of this Agreement shall be replaced by a valid provision which will implement the commercial purpose of the illegal, invalid or unenforceable provision. In the event that any provision essential to the commercial purpose of this Agreement is held to be illegal, invalid or unenforceable and cannot be replaced by a valid provision which will implement the commercial purpose of this Agreement, this Agreement and the rights granted herein shall terminate.
- 15.10** Force Majeure. Any delays in, or failure of, performance of any party to this Agreement shall not constitute default hereunder, or give rise to any claim for damages, if and to the extent caused by occurrences beyond the control of the party affected, including, but not limited to, acts of nature, strikes or other work stoppages; civil disturbances, fires, floods, explosions, riots, war, rebellion, or sabotage.
- 15.11** Assignment. This Agreement and the license granted hereunder may be assigned upon the prior written consent of PRF, such consent will not be unreasonably withheld or conditioned. Notwithstanding the foregoing, LICENSEE, without the prior written consent of PRF, may assign the Agreement to: (a) an Affiliate; or (b) a successor to all or substantially all of LICENSEE's assets related to this Agreement, whether as part of a merger or acquisition or otherwise.
- 15.12** Modification. This Agreement shall not be modified, amended or terminated except as herein provided or except by another agreement in writing executed by the Parties hereto.

IN WITNESS WHEREOF, PRF and LICENSEE have caused this Agreement to be signed by their duly authorized representatives, under seal, by wet-ink or electronic signature, in one or more counterparts, each having the same validity and effect as the other, as of the Effective Date.

PURDUE RESEARCH FOUNDATION		LICENSEE	
<i>X /s/ Brooke Beier</i>		<i>X /s/ M. Scott Salka</i>	
Printed Name:	Brooke Beier	Printed Name:	M. Scott Salka
Title:	Vice President, Office of Technology Commercialization	Title:	Executive Chair

SCHEDULE A

Licensed Intellectual Property

Schedule A: Licensed Intellectual Property

Licensed Patent(s)

[***]	[***]					
[***]	[***]	[***]	[***]	[***]	[***]	[***]
	[***]	[***]	[***]	[***]	[***]	[***]
	[***]	[***]	[***]	[***]	[***]	[***]
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SCHEDULE B

Novosteo Commercialization Plan for NOV004

SCHEDULE C

Progress Report

Licensee Progress Report

Licensee Name: _____

Licensee Contact: _____

Progress Report Date: _____

Commercialization Diligence:

1. List the Development Milestones to date per Schedule D. Has the company been able to achieve them? If so, please provide proof of achievement and date achieved.

Financial Capacity:

2. How much capital has the company raised since it has licensed Purdue Technology?
3. State the company's current financial capacity to achieve the Commercialization Plan and Development Milestones per the license agreement. If further funds are required, what are the company's plans to deploy the necessary capital or to raise funding?

Employment & Development Efforts:

4. Has the company developed a Licensed Product yet? If yes, what is the name of the Licensed Product and where/how is it available for sale? If no, when does the company anticipate launching a Licensed Product?
5. Has the company had any sales of Licensed Products? If yes, please see Schedule D of the license for royalty report template.
6. If applicable, has the company issued any sub licenses? Has the company provided sublicense information to PRF?

Other Updates and Inquiries:

7. Is there any other news that you are interested in sharing with Purdue Research Foundation about the company's efforts to commercialize the PRF Technology?
 8. Does the company need anything from PRF at this time?
 9. Is the company interested in learning about any other technologies that are available for licensing from PRF? If so, please provide an area of interest or description of technology that would fit the opportunity company is seeking.
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SCHEDULE D

Schedule D: Royalty Report Requirements

- a. Identify each Licensed Product by name(s), number(s), and brand identifications (include Licensed Products sold by Affiliate and Sublicensees)
 - b. List the Development Milestones to date. Has the company been able to achieve them? If so, please provide proof of achievement and date achieved. If not, state the reason.
 - c. List current published customer price information per Licensed Product
 - d. State number of units distributed to customers during Reporting Period per License Product (include units distributed by Affiliate and Sublicensees)
 - e. Summarize/describe unit price(s) charged to customers per Licensed Product during Reporting Period. Specify price ranges and variations where applicable. Where a sale, gift, use, or other disposition of a Licensed Product is transacted for value other than cash, supply corroboration that the charged unit price is consistent with the market value of the Licensed Product.
 - f. State amount of Gross Receipts per Licensed Product for the Reporting Period. Include summary of netting calculations.
 - g. State amount of Unit Royalties payable to PRF for each Licensed Product for the Reporting Period (per Gross Receipts of LICENSEE, any applicable Affiliates and Sublicensees)
 - h. State amount of minimum annual royalty due for the Annual Period (if applicable)
 - i. State amount of Sublicensing Income receivable during the Reporting Period (Article 4.4) (specify by Sublicense and type of income)
 - j. State total royalty due to PRF in USD for the Reporting Period. Show monetary conversion rate (if applicable).
 - k. List names and addresses of current Sublicensees (if applicable)
 - l. Enclose current certificate of insurance (Article 12.3)
 - m. Summarize financial capacity for Reporting Period, including third party funding received (dilutive and non-dilutive) related to commercialization of Licensed Product(s).
 - n. State number of full-time equivalents (FTEs) employed or otherwise actively implementing the Commercialization Plan.
 - o. State location (city, state, and country) where manufacturing of Licensed Products occurs.
-

SCHEDULE E

Development Milestones

Date/Timeline	Milestone
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

SCHEDULE F

Novosteo Inc. – Capitalization Table, 10May20

AMENDMENT #1 TO LICENSE AGREEMENT

THIS AMENDMENT #1 TO LICENSE AGREEMENT (the “**Amendment**”), made and entered into this 21st day of March, 2022 (“**Amendment Effective Date**”) by and between Purdue Research Foundation, a corporation formed and existing under the Indiana Foundation or Holding Companies Act of 1921 with its main offices located at 1281 Win Hentschel Blvd, West Lafayette, IN 47906 (“**PRF**”), and Novosteo Inc., an Indiana corporation with business offices at 1281 Win Hentschel Blvd, West Lafayette, IN 47906 (“**LICENSEE**”), collectively referred to hereinafter as the “**Parties**,” and each individually as a “**Party**,” amends the License Agreement dated June 3, 2020, (the “**Agreement**”); and

WHEREAS, the Parties have agreed to certain modifications to the Agreement, including amending the patent prosecution arrangement and adding certain patent applications to the Licensed Patents as set forth in Schedule A: Licensed Intellectual Property.

NOW, THEREFORE, the Parties hereby revise and amend the Agreement as follows:

1. Section 1.15 “Licensed Product” is hereby deleted and replaced with the following:
 “1.15 “Licensed Product” means a product or service, the importation, manufacture, use, or sale of which is covered by a Valid Claim within the Licensed Patents.”
 2. Section 1.19 “Royalty Term” is hereby deleted and replaced with the following:
 “1.19 “Royalties Term” means on a Licensed Product-by-Licensed Product basis and country-by-country basis, the period commencing on the date of first commercial sale until the expiration of the last Valid Claim covering such Licensed Product in such country.”
 3. Section 1.21 “Sublicense Income” is hereby deleted and replaced with the following:
 “1.21 “Sublicense Income” means the cash consideration received by Licensee in consideration for a Sublicense, but excluding any consideration for:
 - (a) royalties or payments on sales of Licensed Products;
 - (b) payments made by a Sublicensee as consideration for the issuance of equity or debt securities of, or other investment in, Licensee or an Affiliate;
 - (c) reimbursement to Licensee or an Affiliate for Licensee’s actual costs of bona fide research, development, manufacturing or commercialization of Licensed Product(s) that are performed by or on behalf of Licensee or an Affiliate;
 - (d) reimbursements of patent expenses incurred by Licensee or its Affiliates with respect to such Licensed Product(s); and
 - (e) Sublicensee’s tax payments received by Licensee and payable to the taxing authority.
 4. Section 2.1 License is hereby deleted and replaced with the following:
 “2.1 License. Subject to compliance with this Agreement, and subject to the reservation of rights stated below, PRF grants to LICENSEE, and LICENSEE accepts, a royalty-bearing, exclusive, license, including the right to grant and authorize sublicenses, under the Licensed Intellectual Property to make or have made, use, sell or have sold, and import, and otherwise exploit Licensed Products and otherwise exploit the Technical Information in the Field of Use and the Licensed Territory.”
 5. Section 4.1 Unit Royalties is hereby deleted and replaced with the following:
 “4.1 Unit Royalties. During the Royalty Term, LICENSEE shall pay PRF an earned royalty of three and a half percent (3.5%) of Gross Receipts (“Unit Royalties”). Unit Royalties accrued in a particular Reporting Period shall be due and payable on or before the Payment Due Date immediately following the end of the applicable Reporting Period.”
 6. SCHEDULE A: Licensed Intellectual Property is hereby amended to add PRF Ref. No. 2021-LOW-69248, PRF Ref. No. 2021-LOW-69249, and PRF Ref. No. 2022-LOW-69585 as set forth in Exhibit
-

7. Each Section of Article 7 Patent Prosecution is hereby deleted and replaced with the following:

7.1 Prosecution and Maintenance of Licensed Patent(s). Prosecution counsel for the Licensed Patents (“Prosecution Counsel”) shall be nominated by LICENSEE and approved by PRF and shall represent LICENSEE as the exclusive licensee(s) of the Licensed Patents only. PRF shall have the right to terminate Prosecution Counsel’s authority as agent of record for any Licensed Patent at any time.

7.2 The letter of retention for Prosecution Counsel shall address Prosecution Counsel’s responsibilities in the following aspects:

- a) Prosecution Counsel shall keep PRF informed as to all material developments with respect to filing, prosecution and maintenance of patent applications, including by advance notification to PRF of prosecution proceedings and strategies and advance transmittal to PRF of draft responses to patent office proceedings (not less than ten business days prior to due date), and obtaining PRF’s input prior to filing same.
- b) Prosecution Counsel shall not make any filing unless and until first securing express written authorization from PRF upon reasonable advance notice (not less than ten business days prior to filing date) to PRF of the proposed filing. Under no circumstances is Prosecution Counsel to assume that silence is implicit approval or authorization.
- c) Except upon authorization of PRF, Prosecution Counsel shall not (a) expressly and irrevocably abandon either a pending application within the Licensed Patents (except for filing of a PRF-authorized continuing patent application) or (b) fail to make any national filing.
- d) Prosecution Counsel shall advise on inventorship, in consultation with PRF.
- e) The letter shall allocate responsibilities for maintenance fees.

7.3 Other Prosecution and Maintenance Matters.

- a) General Matters. The Parties agree to cooperate with respect to prosecution of the Licensed Patent(s) in all reasonable ways, including obtaining inventors’ signatures on the relevant documents, inventor review of the application, discussion of office actions, and the like.
- b) Discontinuance of Support. LICENSEE, upon sixty (60) days advance written notice to PRF, may advise PRF that it no longer wishes to pay expenses for filing, prosecuting or maintaining one or more Licensed Patent(s) in one or more countries. As of the effective date of the notice to PRF, LICENSEE’s grant of license to such Licensed Patent(s) shall terminate in such country(ies) and LICENSEE’s obligation to pay expenses arising thereafter and related to such Licensed Patents in such country(ies) shall terminate. LICENSEE acknowledges that PRF may, at its sole option, elect to pay such expenses or permit such Licensed Patent(s) referenced in this Section 7.3(b) to become abandoned or lapsed.

7.4 Foreign Patent Prosecution. With respect to any non-U.S. territory in which either LICENSEE or PRF proposes to file a patent application within the Licensed Patents, the proposing party shall notify the other party ninety (90) days before the applicable national phase filing deadline. LICENSEE agrees to consider in good faith to file and prosecute a patent application in any country regarding which it receives written notice from PRF requesting such filing as long as PRF’s written notice is received by LICENSEE at least thirty (30) days before the applicable deadline.

7.5 Reimbursement for Expenses. Subject to Section 7.3(b), LICENSEE shall bear all fees and costs incurred prior to and after the Effective Date through the Term of this Agreement in connection with the preparation, filing, prosecution, defense (including but not limited to interference, derivatization, reexamination, opposition, and post-allowance proceedings), and maintenance of the Licensed Patents.”

8. Consideration for the Amendment

- 8.1. Amendment Fee. LICENSEE shall pay PRF a non-refundable license fee of fifty thousand dollars (\$50,000 USD) (“Amendment Fee”). The Amendment Fee shall be payable to PRF as follows: (i) twenty-five thousand dollars (\$25,000 USD) upon execution of this Amendment, and (ii) twenty-five thousand dollars (\$25,000 USD) on the third anniversary of the Amendment Effective Date. The Amendment Fee, or any portion thereof, shall not be credited toward any other obligation, now or in the future, of LICENSEE under the Agreement.
- 8.2. Equity. As further consideration, LICENSEE will grant to PRF 142,033 shares of common stock in LICENSEE. The shares shall be issued upon PRF’s execution and delivery of a stock issuance

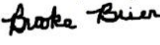

agreement, which shall contain customary representations, warranties and covenants and an agreement to execute any agreements or documents that may be required by investors in connection with a Qualified Investment (as defined below). When issued, those shares of common stock will represent one-half of one percent (0.5%) of the common stock in LICENSEE on a Fully Diluted Basis as of September 30, 2021. LICENSEE agrees the shares are valued at 0.03 per common share. LICENSEE shall provide PRF with an updated pro forma capitalization table upon which the above calculation is made.

9. Capitalized terms not defined herein shall, unless otherwise indicated herein, have the meanings ascribed to such terms in the Agreement.

10. The Parties agree that except for the amendments set forth herein, the terms of the Agreement as revised, modified or amended shall control the rights and obligations of the Parties; provided that to the extent there is any inconsistency between this Amendment and the Agreement (as amended from time to time) or any term or objective of this Amendment would be frustrated or impeded by application of any other term of the Agreement, this Amendment shall control and supersede all inconsistent provisions of the Agreement. This Amendment shall be construed under and governed by the laws of the State of Indiana (without regard to conflict of law rules) and the United States of America.

(Signatures to follow)

IN WITNESS WHEREOF, the Parties have caused this Amendment to be signed by their duly authorized representatives, to be effective as of the date set forth above.

PURDUE RESEARCH FOUNDATION		NOVOSTEO INC.	
<p>DocuSigned by:  X 8E0ECABD133F46E...</p>		<p>DocuSigned by:  X 72682782105E486...</p>	
Printed Name:	Brooke L Beier, PhD	Printed Name:	Dirk Thye
Title:	Sr. Vice President, Commercialization	Title:	CEO

**Schedule A: Licensed Intellectual
Property**

Licensed Patent(s)

Technology:	Abalode 10/20 compounds and compositions and methods of treating fractures (including maxillofacial fracture, fracture in patient with diabetes, and fracture in patient with osteoporosis) PRF Ref. No.: 2021-LOW-69248					
Patent Info:	<u>Track Code</u>	<u>Application #</u>	<u>Type</u>	<u>Status</u>	<u>Country</u>	<u>App. Date</u>
	2019-LOW-69248-01	63/105,669	Provisional-Patent	Converted	US	Oct 26, 2020
	2019-LOW-69248-02	63/193,748	Provisional-Patent	Converted	US	May 27, 2021
	2019-LOW-69248-03	PCT/US21/47824	PCT- Patent	Filed	WO	Aug 26, 2021
Inventors:	<u>Name:</u> Philip Stewart Low Stewart A Low Jeffery Jay Howard Nielsen		Purdue University Purdue University Purdue University			
<p>*Federal or other funding of related research? X Yes No</p> <p>* The U.S. Government retains certain rights in the Technology, and the License is subject in all respects to U.S. law applicable to intellectual property funded in whole or in part by the U.S. Government.</p> <p>If yes, provide funding agency and contract no.: No federal funding disclosed</p>						

Technology:	Use of abalode 10/20 compounds and compositions to treat spinal fusion PRF Ref. No.: 2021-LOW-69249					
Patent Info:	<u>Track Code</u>	<u>Application #</u>	<u>Type</u>	<u>Status</u>	<u>Country</u>	<u>App. Date</u>
	2019-LOW-69249-01	63/105,678	Provisional- Patent	Converted	US	Oct 26, 2020
	2019-LOW-69249-02	63/193,753	Provisional- Patent	Converted	US	May 27, 2021
	2019-LOW-69249-03	PCT/US21/47827	PCT - Patent	Filed	WO	Aug 26, 2021
Inventors:	<u>Name:</u> Philip Stewart Low Stewart A Low Jeffery Jay Howard Nielsen		Purdue University Purdue University Purdue University			
<p>* Federal or other funding of related research? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, provide funding agency and contract no.: No federal funding disclosed.</p>						

* The U.S. Government retains certain rights in the Technology, and the License is subject in all respects to U.S. law applicable to intellectual property funded in whole or in part by the U.S. Government.

Technology:	Hydroxyapatite Targeted Imaging and Therapy of Primary and Secondary Bone Cancers PRF Ref. No.: 2022-LOW-69585					
Patent Info:	<u>Track Code</u>	<u>Application #</u>	<u>Type</u>	<u>Status</u>	<u>Country</u>	<u>App. Date</u>
	2022-LOW-69585-01	63/313,395	Provisional- Patent	Filed	US	Feb 24, 2022
Inventors:	<u>Name:</u> Philip Stewart Low Losha Dasol Dasol Jung		Purdue University Purdue University			
*Federal or other funding of related research? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, provide funding agency and contract no.:						
* The U.S. Government retains certain rights in the Technology, and the License is subject in all respects to U.S. law applicable to intellectual property funded in whole or in part by the U.S. Government.						

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

I, Dirk Thye, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cortexyme, Inc. for the quarter ended June 30, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 9, 2022

/s/ Dirk Thye

Dirk Thye
President, Chief Executive Officer and Chairman of our Board of Directors
(Principal Executive Officer)

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

I, Ted Monohon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Cortexyme, Inc. for the quarter ended June 30, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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 9, 2022

/s/ Ted Monohon

Ted Monohon
Chief Accounting Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Cortexyme, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2022

By: _____ /s/ Dirk Thye
Dirk Thye
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Cortexyme, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2022

By: _____ /s/ Ted Monohon

Ted Monohon
Chief Accounting Officer
(Principal Financial Officer)
