

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

FORM 10-K

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

For the year ended December 31, 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 001-39069

**Aprea Therapeutics, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation or organization)

**84-2246769**  
(I.R.S. Employer Identification No.)

**3805 Old Easton Road**  
**Doylestown, Pennsylvania**  
(Address of principal executive offices)

**18902**  
(Zip code)

**(617) 463-9385**  
(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered:</u>
Common stock, par value \$0.001 per share	APRE	The NASDAQ Stock Market LLC

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. 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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022 was approximately \$14.0 million.

There were 3,731,570 shares of the registrant's common stock, \$0.001 par value, outstanding as of March 28, 2023.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement for its 2023 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed within 120 days of the registrant's fiscal year ended December 31, 2022, are incorporated by reference in Part III of this Annual Report on Form 10-K. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the Proxy Statement is not deemed to be filed as part of this Annual Report on Form 10-K.

**Aprea Therapeutics, Inc.  
Annual Report on Form 10-K  
For the Year Ended December 31, 2022**

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes statements that are, or may be deemed, “forward-looking statements.” In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes,” “estimates,” “anticipates,” “expects,” “plans,” “intends,” “may,” “designed,” “would,” “could,” “might,” “will,” “should,” “approximately” or, in each case, their negative or other variations thereon or comparable terminology, although not all forward-looking statements contain these words. They appear in a number of places throughout this Quarterly Report on Form 10-K and include statements regarding our current intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things, our ongoing and planned clinical trials, including for ATRN-119, our ongoing and planned IND-enabling studies, including for ATRN-1051, our ongoing and planned development, prospects for commercialization, and market uptake of our potential product candidates, the strength and breadth of our intellectual property, the timing of and our ability to make regulatory filings and obtain and maintain regulatory approvals for our product candidates, the legal and regulatory landscape impacting our business, the degree of clinical utility of our product candidates, particularly in specific patient populations, expectations regarding clinical trial data, our development and validation of manufacturing capabilities, our results of operations, financial condition, liquidity, prospects, growth and strategies, the length of time that we will be able to continue to fund our operating expenses and capital expenditures, our expected financing needs and sources of financing, the industry in which we operate and the trends that may affect the industry or us.

By their nature, forward-looking statements involve risks and uncertainties because they relate to future events, competitive dynamics, and healthcare, regulatory and scientific developments and depend on economic circumstances that may or may not occur in the future or may occur on longer or shorter timelines than anticipated. We caution you that forward-looking statements are not guarantees, or predictive, of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Annual Report on Form 10-K.

Some of the factors that we believe could cause actual results to differ from those anticipated or predicted include

- our ability to continue to operate as an integrated company subsequent to our acquisition of Atrin Pharmaceuticals Inc.;
- estimates of our expenses, capital requirements and our needs for additional financing;
- business interruptions, including delays in enrollment, patient follow-up and data collection of clinical trials, resulting from a public health emergency or pandemic, such as the outbreak of the novel coronavirus, or COVID-19;
- the prospects of our product candidates, all of which are still in development;
- outcome and results of ongoing or future preclinical studies and clinical trials of our product candidates;
- our expectations regarding our ability to identify, discover or acquire additional suitable product candidates;
- the design of our ongoing and planned clinical trials, including the sample size, trial duration, endpoint definition, event rate assumptions and eligibility criteria;
- our ability to enroll patients in clinical trials, to timely and successfully complete those trials and to receive necessary regulatory approvals;
- our expectations regarding the timing of initiation of data readout from our clinical trials;

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- market acceptance or commercial success of any product candidate we develop and the degree of acceptance among physicians, patients, patient advocacy groups, health care payors and the medical community;
- our expectations regarding competition, potential market size, the size of the patient populations for our product candidates, if approved for commercial use, and market acceptance;
- our ability to obtain regulatory approval of our product candidates, and any restrictions, limitations and/or warnings in their labels, if approved;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates;
- potential claims relating to our intellectual property and third-party intellectual property;
- the duration of our intellectual property estate that will provide protection for our product candidates;
- developments relating to our competitors and our industry;
- our sales, marketing or distribution capabilities and our ability to commercialize our product candidates, if we obtain regulatory approval;
- current and future agreements with third parties in connection with conducting clinical trials, as well as the manufacturing of our product candidates;
- our expectations regarding the ability of our current contract manufacturing partners to produce our product candidates in the quantities and timeframe that we will require;
- our expectations regarding our future costs of goods;
- our ability to attract, retain and motivate key personnel and increase the size of our organization;
- our ability to establish collaborations in lieu of obtaining additional financing;
- the impact of government laws and regulations;
- our financial performance; and
- our expectations regarding the time during which we will be an emerging growth company under the JOBS Act or a smaller reporting company under the Exchange Act.

Any forward-looking statements that we make in this Annual Report on Form 10-K speak only as of the date of such statement, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this Annual Report on Form 10-K. You should also read carefully the factors described in the “Risk Factors” included in Part I, Item 1A of this Annual Report to better understand significant risks and uncertainties inherent in our business and underlying any forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Annual Report on Form 10-K will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified timeframe, or at all.

This Annual Report on Form 10-K includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe these industry publications and third-party research, surveys and studies are reliable, we have not independently verified such data.

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We qualify all of our forward-looking statements by these cautionary statements. In addition, with respect to all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

This Form 10-K may include trademarks, tradenames, and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this Form 10-K may appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames.

## PART I

### Item 1. Business

#### Overview

We are a clinical-stage biopharmaceutical company focused on developing novel synthetic lethality-based cancer therapeutics that target DNA damage response (DDR) pathways. Our approach is built upon a platform of integrated discovery technologies to enrich our pipeline with novel targets in synthetic lethality and cancer treatment. Together with our expertise in small molecule drug discovery, we are applying the capabilities of our discovery platform to the development of new precision oncology therapies and the identification of patient populations most likely to benefit.

Aprea Therapeutics AB was originally incorporated in 2002 and commenced principal operations in 2006. On September 20, 2019, we consummated a reorganization, pursuant to which all of the issued and outstanding stock and options of Aprea Therapeutics AB were exchanged for common stock, preferred stock or options, as applicable, of Aprea Therapeutics, Inc. As a result, Aprea Therapeutics AB became a wholly-owned subsidiary of Aprea Therapeutics, Inc.

On May 16, 2022, we acquired Atrin Pharmaceuticals Inc. (“Atrin”), in accordance with the terms of the Agreement and Plan of Merger date May 16, 2022 (the “Merger Agreement”), by and among us, ATR Merger Sub I Inc., a Delaware corporation and our wholly owned subsidiary (“First Merger Sub”), ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned subsidiary of Aprea (“Second Merger Sub”) and Atrin. Pursuant to the Merger Agreement, First Merger Sub merged with and into Atrin, pursuant to which Atrin was the surviving corporation and became a wholly owned subsidiary of Aprea (the “First Merger”). Immediately following the First Merger, Atrin merged with and into the second Merger Sub, pursuant to which Second Merger Sub was the surviving entity. The former Atrin business is now our business.

We believe that synthetic lethality has the potential to impact patients’ lives and treatment strategies for a wide range of cancer types. We aspire to become a leader in this emerging field and are establishing a pipeline of clinical and preclinical programs that we believe may have broad application to cancer treatment.

Our most advanced synthetic lethality product candidate is ATRN-119, a clinical-stage small molecule inhibitor of ataxia telangiectasia and Rad3-related, or ATR, a kinase that plays a critical role in DDR. ATR is one of several key regulators of the response to defective DNA replication and DNA damage, which occurs more commonly in cancer cells than in normal cells. We are enrolling patients into a Phase 1/2a clinical trial to evaluate ATRN-119 under an investigational new drug application, or IND. Patients with advanced solid tumors having mutations in defined DDR-related genes are currently being enrolled into the Phase 1 dose escalation part of the trial. The primary endpoint of this Phase 1 part is to evaluate the tolerability and pharmacokinetics of ATRN-119 when administered orally on a continuous, once-daily schedule. We anticipate ATRN-119 tolerability and pharmacokinetic data from Phase 1 to be available in the first quarter of 2024.

We have several additional, wholly owned preclinical synthetic lethality programs. We are targeting WEE1, a kinase that is a key regulator of multiple phases of the cell cycle. Our lead WEE1 inhibitor product candidate is ATRN-1051, and we anticipate filing of an IND for ATRN-1051 by the end of 2023. In addition, we have a preclinical research program directed at a second-generation ATR inhibitor, ATRN-354. Finally, we also have an early preclinical research program, which is aimed at identification of novel inhibitors of a distinct protein involved in DDR.

In addition to development of these drugs as single agents, we are evaluating potential expansion opportunities for our product candidates through preclinical studies, including combination with poly (ADP-ribose) polymerase inhibitors, or PARPi, where we believe a combination of therapeutic agents may enhance synthetic lethality. We are also evaluating combination opportunities within our pipeline, including research on the combination of ATRN-119 and ATRN-1051 that is supported by a Phase II SBIR grant from the National Cancer Institute.

Prior to the acquisition of Atrin, we were engaged in the clinical development of cancer therapeutics that reactivate the mutant p53 tumor suppressor protein. Our lead product candidate was APR-246, or epremetapopt. Following our failed pivotal Phase 3 trial in December 2020, we engaged in a thorough evaluation of strategic options leading to the acquisition of Atrin and shifting our focus to the Atrin assets. We do not currently have any ongoing or planned preclinical studies or clinical trials involving our reactivators of mutant p53 and our primary focus is on the discovery and development of molecules targeting DDR pathways in oncology through synthetic lethality.

We have assembled a team with extensive experience in the discovery, development and commercialization of oncology drugs to support our mission of developing novel synthetic lethality-based cancer therapeutics.

**Our Pipeline**

We are applying our discovery platform and drug development capabilities to build a robust pipeline of synthetic lethality-based cancer therapeutics. Our current programs are summarized below. We retain global development and commercialization rights to all of our product candidates.

MOLECULE	TARGET	INDICATION	BIOMARKER	Preclinical	IND-Enabling	Phase 1	Anticipated Milestones
ATRN-119	ATR	Advanced solid tumors	Defined biomarkers	monotherapy			Q1 2024: Phase 1 tolerability, PK
		Ovarian, breast, prostate	BRCA1/2 + others	combination with PARPi			Q4 2023 / Q1 2024: Ph1 initiation
ATRN-1051	WEE1	Advanced solid tumors	CCNE amplification + others				End of 2023: IND submission
ATRN-354*	ATR	Advanced solid tumors	Defined biomarkers				Second half of 2024: IND submission
APRE-DDRi	DDR Target	Advanced solid tumors	Defined biomarkers				Mid-2024: Development candidate

1) ATRN-354 timeline and anticipated milestones subject to data from ATRN-119 clinical trial.

Our pipeline includes the clinical-stage asset ATRN-119, an ATR inhibitor that is being evaluated in a Phase 1/2a clinical trial in patients with advanced solid tumors having mutations in defined DDR-related genes. Our DDR-focused synthetic lethality pipeline also includes a WEE1 inhibitor that has entered IND-enabling studies, a preclinical-stage second-generation ATR inhibitor as well as a preclinical research program which is aimed at identification of novel inhibitors of a distinct protein involved in the DDR pathway.

**Our strategy**

We aspire to be a leader in the emerging field of synthetic lethality-based precision oncology therapeutics. The key elements of our strategy are to:

- **Continue to efficiently develop our clinical-stage product candidate, ATRN-119, an orally bioavailable small molecule inhibitor of ATR.** We are currently conducting a Phase 1/2a clinical trial evaluating ATRN-119 in patients with advanced solid tumors having mutations in defined DDR-related genes. We are enrolling patients into the Phase 1 part of this clinical trial. The primary endpoint of this Phase 1 part is to evaluate the tolerability and pharmacokinetics of ATRN-119 when administered orally on a continuous, once-daily schedule. Once we have selected a dose of ATRN-119 from the Phase 1 part we plan to enroll additional patients into a Phase 2a part of the clinical trial to assess preliminary efficacy.
- **Advance our preclinical pipeline of small molecule product candidates, including ATRN-1051, an orally bioavailable small molecule inhibitor of WEE1, into clinical development.** Our synthetic lethality pipeline includes several preclinical research programs, including our WEE1 and second-generation ATR programs.

We anticipate filing of an IND with FDA by the end of 2023. We continue to invest in our early preclinical research efforts to identify novel inhibitors of other DDR-related targets.

- ***Expand our precision oncology pipeline, leveraging the capabilities of our discovery platform to identify synthetic lethality targets, associated biomarkers and opportunities for combination therapy regimens.*** Utilizing our discovery platform, we are continuing our target and biomarker identification activities to both expand our pipeline of synthetic lethality-based product candidates as well as to focus future clinical development in patient populations most likely to benefit. We are also researching opportunities to combine product candidates in our pipeline with other therapies that may enhance synthetic lethality and potentially increase benefit to genetically defined populations of cancer patients.
- ***Maximize the commercial opportunity of our product candidates across global markets.*** We currently retain worldwide development and commercialization rights to all our product candidates. We may elect to selectively evaluate strategic partnership opportunities for our product candidates with partners whose development and commercial capabilities complement our own.

## **Our Approach**

Our approach to the development of novel cancer therapies is based on a powerful biological phenomenon known as synthetic lethality. Synthetic lethality represents an emerging strategy to treat a broad spectrum of cancers that currently lack effective treatments. Our focus is the application of synthetic lethality in the DDR pathway to effect selective killing of cancer cells while sparing normal cells.

### *Background on Synthetic Lethality*

First described in 1922, the concept of synthetic lethality describes biological observations wherein mutations in a pair of genes result in cell death, but mutations in either gene alone do not. Cancer is a genetically driven collection of diseases in which mutations in the genome that allow cells to bypass the normal checks and balances that control cell replication. Frequently, these mutations occur in genes that have critical roles in metabolism and DNA repair. While mutations in such genes may permit cells to survive, it is possible that mutation in a second gene, or loss of function resulting from pharmacologic inhibition, may trigger cancer cell death if the two genes are synthetically lethal.

The first clinical validation of synthetic lethality for cancer treatment was with BRCA1/2 mutations and PARP inhibition. BRCA1 and BRCA2 are proteins with key roles in the repair of DNA double strand breaks (DSBs), one of the most lethal DNA lesions. BRCA1/2 mediate homologous recombination (HR), the major mechanism of DSB repair. When there is loss of function in BRCA1/2 due to mutation, then cells become more dependent on PARP1 to prevent the formation of DSBs. If in this context, PARP1 function is inhibited, then BRCA1/2 mutated cancer cells die. In other words, BRCA1/2 mutation and PARP1 inhibition are synthetically lethal. In contrast, normal cells with functional BRCA1/2 are spared. There are currently four PARP inhibitors approved for the treatment of breast, ovarian and pancreatic tumors with BRCA mutations and other DNA damage repair dysfunction.

### *Background on DDR*

Cells are continuously exposed to endogenous and exogenous stress that can lead to DNA damage. To counter this lethal threat, cells have mechanisms to detect DNA damage, activate the appropriate repair pathway or, if irreparable, induce cell cycle arrest or apoptosis. These DDR processes are vital for cell survival.

Cancer cells rely on various alternative pathways to repair and resist DNA damage and replication stress. Many of these DDR-related genes are mutated across cancers, as loss of the DDR pathway allows cancer cells to rapidly evolve and grow out of control. Notably, functional loss of these pathways also creates a vulnerability in these cancers because mutation or loss of some DDR genes increases reliance on other DDR genes to support continued cancer cell growth. When mutation or loss of function of two DDR genes leads to cell death, the interplay between these genes is synthetic lethality. Importantly, selective targeting of specific members of the DDR pathway represents an attractive potential therapeutic approach for the treatment of cancer. Furthermore, because genes that are mutated in cancers continue to



function normally in healthy tissues, this treatment approach can potentially reduce drug-induced toxicity while maintaining anti-cancer activity.

*Our Focus on Synthetic Lethality in DDR*

*ATR Inhibitors in Advanced Solid Tumors*

Our most advanced synthetic lethality product candidate is ATRN-119, a clinical stage ATR inhibitor for patients with solid tumors having defined genetic mutations in DDR-related genes.

Ataxia Telangiectasia and Rad3-related (ATR) and Checkpoint Kinase 1 (CHK1) are critical DNA damage response kinases that prevent the collapse of replication forks into DSBs. ATR is one of several key regulators of the response to defective DNA replication and DNA damage, which occurs more commonly in cancer cells than in normal cells.

In response to these cancer-associated genomic insults, ATR is activated to inhibit progression to cellular division and prevent the assembly of the SLX1-SLX4, MUS81-EME1 and XPF-ERCC1 (SMX) endonuclease (DNA cutting) complex. When ATR is inhibited, the SMX complex is inappropriately activated, promoting the cutting of replication forks into DSBs. In association with ATR's fundamental roles in these replication responses, cells with increased oncogenic stress, p53 mutations and deficiencies in DDR pathways are predicted to have increased sensitivity to ATR inhibition. Accordingly, ATR inhibition is also predicted to sensitize cells to DNA-damaging chemotherapy, radiotherapy, and PARP inhibitor treatments, making ATR inhibitors particularly attractive for the development of novel combination therapies.

We have developed a highly potent and selective macrocyclic inhibitor of ATR, ATRN-119, that has the potential to have less toxicity to normal tissues, while continuing to capitalize on cancer vulnerabilities due to oncogenic stress and DDR pathway defects. ATRN-119 has received FDA IND approval (IND #141317) for a first-in-human clinical trial for cancer patients. Enrollment in this clinical trial was initiated in the first quarter of 2023.

Seven ATR inhibitors in development by third parties have been or are currently being evaluated in clinical trials either as a monotherapy or in combination regimens. We believe that ATRN-119 is potentially differentiated from other ATR inhibitors in its molecular structure and selectivity for ATR versus other members of the phosphatidylinositol 3-kinase-related kinase, or PIKK, family of kinases. In addition, we believe that ATRN-119 may potentially cause less hematologic toxicity compared to other ATR inhibitors.

ATRN-119 is a macrocycle and is structurally dissimilar to the three oral ATR inhibitors for which chemical structures have been disclosed: AZD-6738 (AstraZeneca), BAY1895344 (Bayer), and RP3500 (Repare/Roche). The macrocyclic structure of ATRN-119 was designed to restrict the conformational freedom of the molecule, or ability to rotate freely around certain chemical bonds, which may reduce its ability to bind off-target proteins. Consistent with this hypothesis, ATRN-119 has demonstrated increased selectivity for ATR versus related members of the phosphatidylinositol 3-kinase-related kinase, or PIKK, family of kinases, including: ataxia-telangiectasia mutated (ATM), DNA-dependent protein kinase (DNA-PK) and mammalian target of rapamycin (mTOR). In preclinical studies, we have observed high potency of ATRN-119 for inhibition of ATR, with an IC<sub>50</sub> of approximately 4 nM, whereas the IC<sub>50</sub> of ATRN-119 is significantly higher for off-target inhibition of ATM (>600-fold), DNA-PK (>2000-fold) and mTOR (>2000-fold). Selectivity for ATR over other kinases, including PIKKs, may potentially limit toxicity from off-target inhibition. Comprehensive head-to-head studies of ATRN-119 versus the oral ATR inhibitors AZD-6738, BAY1895344 and RP3500 have not been conducted, but data for these other ATR inhibitors have been reported in peer-reviewed scientific publications.

**ATR-119 Displays High Selectivity for ATR Versus Related PIKK Kinases**

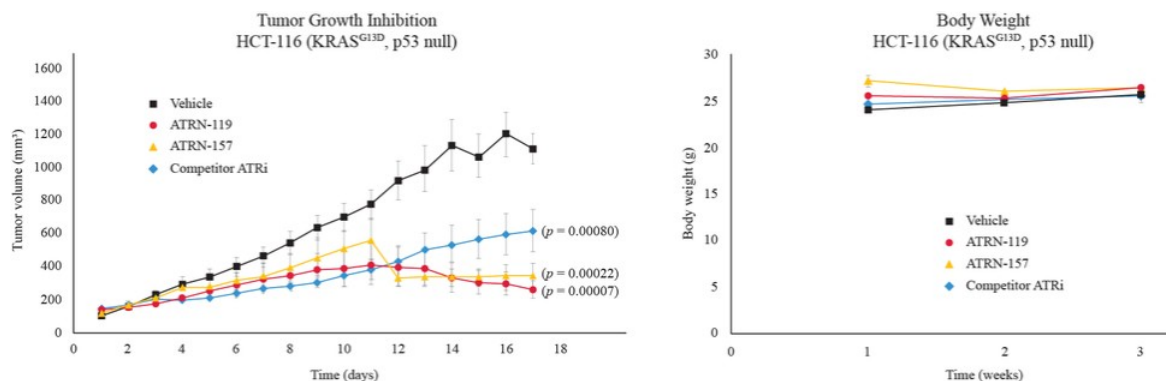
	On Target Cellular IC <sub>50</sub> (nM)	Fold Difference in IC <sub>50</sub> for Off-Target PIKK Inhibition		
	ATR	ATM	DNA-PK	mTOR
Aprea: ATRN-119 <sup>(1)</sup>	4	> 600x	> 2000x	> 2000x
AstraZeneca: AZD-6738 <sup>(2)</sup>	74	> 400x	> 400x	70 – 310x
Bayer: BAY1895344 <sup>(3)</sup>	36	39x	9x	61x
Repare/Roche: RP-3500 <sup>(4)</sup>	0.33	> 20000x	> 20000x	30x

- 1) ATRN-119 data from HCT116 – Bcl/XL cell line
- 2) Foote et al (2018), *J Med Chem*
- 3) Lücking et al (2020), *J Med Chem*
- 4) Roulston et al (2022), *Mol Cancer Ther*

Preclinical studies identified an active metabolite, ATRN-157, in dogs receiving oral administration of ATRN-119. In addition, in vitro metabolism studies in dog and human hepatocytes and liver microsomes indicated formation of ATRN-157 in both species. Notably, further characterization demonstrated that potency and selectivity of ATRN-157 was comparable to ATRN-119. The presence and abundance of ATRN-157 will be assessed in parallel with ATRN-119 in our ongoing Phase 1 clinical trial in order to characterize the overall pharmacokinetic profile.

We observed ATRN-119 to have a potentially favorable tolerability profile across our preclinical studies and animal models, which we believe supports advancement of ATRN-119 into clinical trials. As part of our preclinical studies with ATRN-119 we conducted cell line-derived xenograft, or CDX, mouse model studies, using the colon cancer cell line HCT-116 (mutated KRAS, p53 null). In this study we injected female mice (N=4 per group) with tumor cells and waited for tumor volume to reach approximately 150 mm<sup>3</sup> before initiating daily administration over a period of 17 days with vehicle administered orally; ATRN-119 administered orally at 100 mg/kg/day; ATRN-157 administered subcutaneously at 20 mg/kg/day; or a competitor ATR inhibitor administered orally at 25 mg/kg/day. In this study, both ATRN-119 and ATRN-157 demonstrated statistically significant tumor growth inhibition as compared to vehicle control, and smaller tumor volume than measured in mice receiving the competitor ATR inhibitor. Body weight loss, as a measurement of tolerability, was negligible across all groups of mice in this study.

**ATR-119 Drives Regression and No Serious Toxicity in KRAS Mutant, p53 Null CDX Model**



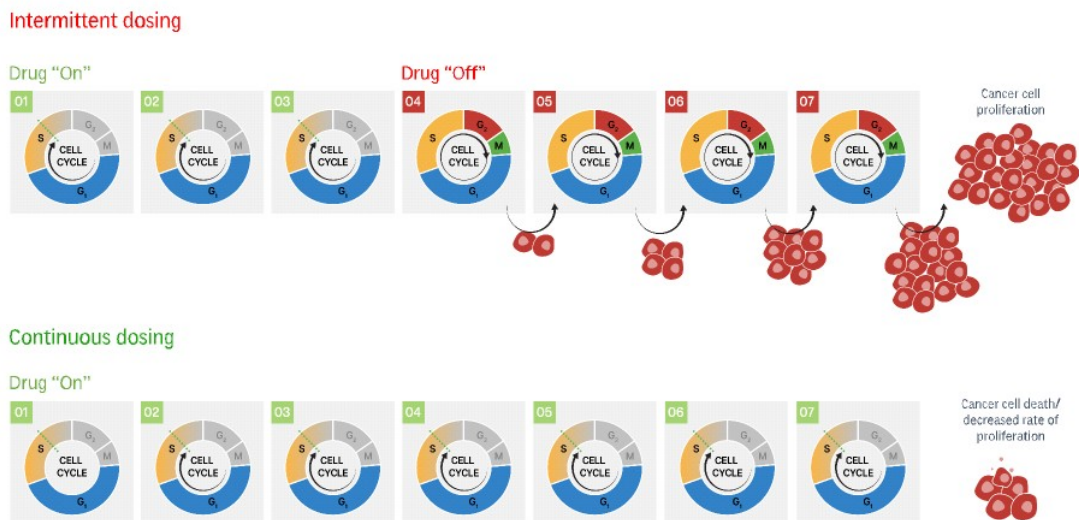
Data from clinical trials testing the oral ATR inhibitors AZD-6738, BAY1895344 and RP-3500 have been presented and support preclinical observation of synthetic lethality between ATR inhibitors and ATM- and ARID1A-deficient cancers. Additional data from patients with normal ATM expression but who still responded to treatment with AZD-6738 suggest

that other mutations may also be synthetic lethal with ATR inhibition. More recently, clinical trial data for RP-3500 demonstrated responses in patients with tumors having mutations in CDK12, RAD51c and BRCA1/2. We believe these data are encouraging and indicate that many additional DDR-related mutations may be synthetic lethal with ATR inhibitors.

While these early clinical results are encouraging, we believe that improvements in the tolerability of ATR inhibitors could provide opportunities to expand the therapeutic window and administer higher doses on a continuous daily dosing schedule to potentially improve response rates and response duration. Hematologic toxicities, specifically all-grade and higher-grade (grade  $\geq 3$ ) adverse events of anemia, neutropenia and thrombocytopenia, have been reported with other ATR inhibitors in clinical development. In order to reduce the frequency of these hematologic adverse events, AZD-6738, BAY1895344 and RP-3500 are currently being tested using intermittent dosing schedules. For example, BAY1895344 and RP-3500 are administered on a repeated schedule of 3 days on treatment followed by 4 days off treatment.

We believe that intermittent dosing might be less favorable in decreasing cancer cells rate of proliferation by allowing cell cycles to proceed in the absence of drug target inhibition and that such conditions may contribute to the development of drug resistance. For these reasons, we believe that a continuous ATR inhibitor dosing paradigm may be preferable to intermittent dosing provided the tolerability of the regimen remains acceptable.

### A Continuous Dosing Schedule Can Potentially Provide Greater Tumor Growth Inhibition

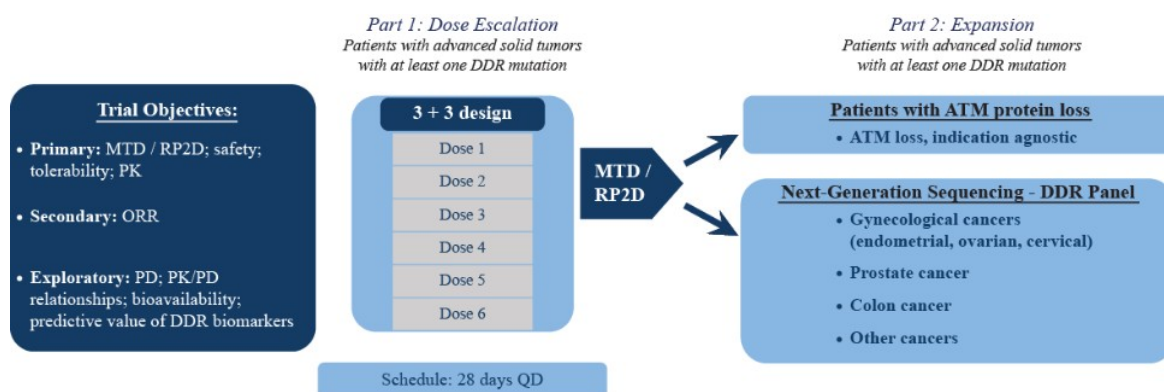


We conducted an internal, pre-clinical head-to-head tolerability study in male beagle dogs comparing ATRN-119 to a competitor ATR inhibitor. In this study, we administered ATRN-119 at a dose of 20 mg/kg/day for 7 days, followed by 40 mg/kg/day for 7 days and finally 50 mg/kg/day for 7 days. The competitor ATR inhibitor was administered at a clinically-equivalent dose range during 21 days. By day 4 of dosing, the dog receiving the competitor ATR inhibitor exhibited severe reduction in multiple blood cell lineages including reticulocytes. Continued dosing of the competitor ATR inhibitor for three weeks resulted in significant reduction of white blood cells, red blood cells and hemoglobin levels, and was accompanied by severe body weight loss (-15%). For the dog receiving ATRN-119, reduced levels of reticulocytes and neutrophils were noted with prolonged treatment but remained within normal ranges and body weight changes were negligible (-2% to +4%). We believe that these data suggest that ATRN-119 may have less toxicity than the competitor ATR inhibitor.

These data are also consistent with observations in our 28-day GLP toxicology study of ATRN-119 in dogs, in which hematologic changes were of small magnitude and reversible. We believe that the results of our preclinical studies support the testing of daily oral dosing of ATRN-119 in clinical trials.

In January 2023, we enrolled the first patient into our open-label Phase 1/2a clinical trial of ATRN-119 as monotherapy in patients with advanced solid tumors having at least one mutation in a defined panel of DDR-related genes. This panel is a proprietary collection of DDR genes that, when mutated, we believe may be synthetically lethal with ATR inhibition by ATRN-119. In the ongoing monotherapy dose escalation phase (Part 1) of our trial, the primary endpoint is evaluating the tolerability and pharmacokinetics of continuous daily oral dosing of ATRN-119 using a 3+3 trial design in up to approximately 18 patients. A secondary endpoint is evaluating potential initial efficacy. At completion of Part 1 we anticipate identification of a recommended Phase 2 dose that will be used in a Phase 2a cohort expansion (Part 2) to test the tolerability and potential efficacy of ATRN-119 monotherapy in approximately 30 additional patients. An efficacy evaluation is planned to be performed every eight weeks. As of March 1, 2023 we have activated three clinical sites in the United States. We anticipate ATRN-119 tolerability and pharmacokinetic data from Phase 1 to be available in the first quarter of 2024.

### Design of Phase 1/2a Clinical Trial Testing ATRN-119 as Monotherapy

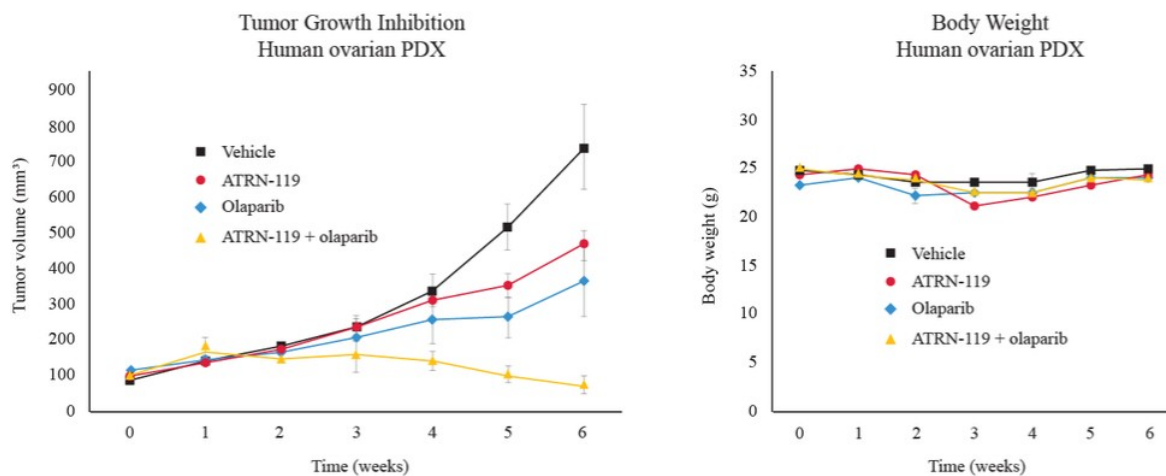


In addition to ATRN-119, we are developing a second-generation macrocyclic ATR inhibitor, ATRN-354, with improved potency and pharmacokinetic properties. ATRN-354 is currently in preclinical development.

### Opportunities for Combination of ATRN-119 with Other Therapies

Combinations of anti-cancer agents, particularly combinations of synthetic lethality-based therapies such as PARP inhibitors, have the potential to interact synergistically. This synergy can potentially augment efficacy over monotherapy regimens and reduce the risk of drug resistance. In a preclinical study, we evaluated ATRN-119 and the PARP inhibitor olaparib as both monotherapies and a combination therapy in a patient-derived xenograft, or PDX, ovarian cancer mouse model. Mice were first transplanted with patient-derived BRCA2 deficient ovarian cancer tumor material. When tumors grew to approximately 100 mm<sup>3</sup> the mice were dosed (N=6-8 per group) with vehicle, olaparib at 50 mg/kg/day, ATRN-119 at 90 mg/kg twice daily, or the combination of the two agents at the same doses and schedules. In this study, ATRN-119 and olaparib monotherapies demonstrated comparable tumor growth inhibition. However, the combination of ATRN-119 + olaparib demonstrated statistically significant tumor growth inhibition compared to either single agent or vehicle control. Body weight loss, as a measurement of tolerability, was negligible in the mice receiving any of these regimens.

## ATRN-119 + Olaparib Combination Drives Regression and No Serious Toxicity in BRCA2-deficient PDX Model



We believe that these data are supportive of future clinical trials to evaluate the combination of a PARP inhibitor and ATRN-119. We anticipate potential initiation of a Phase 1 combination study in the fourth quarter of 2023 or first quarter of 2024, pending initial tolerability and pharmacokinetic data from our Phase 1 trial testing ATRN-119 as monotherapy.

### WEE1 Inhibitors in Advanced Solid Tumors

We are advancing preclinical research of our WEE1 inhibitor, ATRN-1051, for patients having tumors with increased expression of cyclin E1, or CCNE1, and potentially other genetic and/or molecular signatures.

WEE1 kinase is a key regulator of multiple phases of the cell cycle, most prominently in progression from G1 to S phase and from S/G2 to M phase through inhibitory phosphorylation of CDK2 and CDK1, respectively. Thus, when WEE1 is inhibited, both G1-S and G2-M checkpoints are abrogated, leading to premature S-phase and M-phase entry. Notably, the replication stress caused by cyclin E1, or CCNE1, overexpression is transformed into toxic levels of DSBs and cancer cell death when WEE1 is inhibited. These findings suggest CCNE1 overexpression is a cancer-associated vulnerability that may be capitalized on by WEE1 inhibitors.

Four WEE1 inhibitors in development by third parties have been or are currently being evaluated in clinical trials either as a monotherapy or in combination regimens. We believe that ATRN-1051 is potentially differentiated from other WEE1 inhibitors in its: 1) molecular structure; 2) selectivity for WEE1 versus off-target inhibition of the polo-like kinase, or PLK, family of kinases; and 3) potentially superior pharmacokinetic properties. Of the WEE1 inhibitors being developed by other companies, only the structures of ZN-c3 (Zentalis) and AZD-1775 (AstraZeneca) have been disclosed. The structures of ZN-c3 and AZD-1775 are similar, differing only in one region of the molecules. In contrast, the structure of ATRN-1051 is not similar to either of these other two product candidates.

In preclinical biochemical studies, we have observed high potency of ATRN-1051 for inhibition of WEE1, with an IC<sub>50</sub> of approximately 2.2 nM; however, even when tested at a very high relative concentration of 1 mM, ATRN-1051 did not appreciably inhibit PLK1 (17%), PLK2 (33%) or PLK3 (12%). We believe that this high selectivity for WEE1 over PLK1/2/3 is an important differentiating attribute of ATRN-1051 versus other WEE1 inhibitors in development. Head-to-head studies of ATRN-1051 versus the oral WEE1 inhibitors ZN-c3 and AZD-1775 have not been conducted; however, data for the ZN-c3 and AZD-1775 have been previously published and indicate similar PLK inhibition potential to each other, but this inhibition is higher than that caused by ATRN-1051.

### ATRN-1051 Displays High Selectivity for WEE1 Versus PLK Kinases

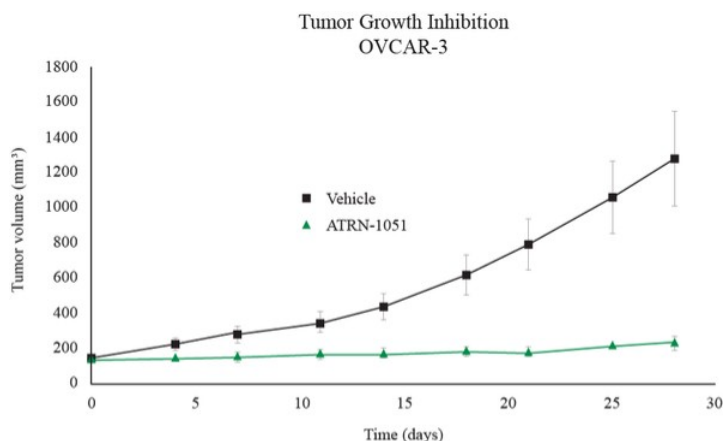
	On Target IC <sub>50</sub> (nM)	Off-Target Inhibition of PLKs at 1 mM (%)		
	WEE1	PLK1	PLK2	PLK3
Aprea: ATRN-1051	2.2	17	33	12
Zentalis: ZN-c3 <sup>(1)</sup>	3.8	79	96	92
AstraZeneca: AZD-1775 <sup>(1)(2)</sup>	3.9	70	101	91

- 1) Huang et al, (2021) J Med Chem
- 2) AstraZeneca announced in July 2022 the discontinuation of development of AZD-1775

We believe that CCNE1 gene amplification or high cyclin E protein expression is a potential biomarker for our WEE1 inhibitor. Overexpression of cyclin E protein can drive cells into S-phase prematurely, resulting in replicative stress that may be synthetically lethal with WEE1 inhibition. We are conducting research to expand our list of proprietary potential biomarkers for WEE1 inhibition that could increase potential market opportunities for ATRN-1051, if approved.

As part of our preclinical studies with ATRN-1051 we conducted a CDX mouse model study using the CCNE1-amplified ovarian cancer cell line OVCAR3. In this study we injected female mice (N=7 per group) with tumor cells and waited for tumor volume to reach approximately 150 mm<sup>3</sup> before initiating daily administration over a period of 28 days with vehicle administered orally or an exploratory formulation of ATRN-1051 administered orally at 30 mg/kg/day. In this model we observed nearly complete tumor growth inhibition when ATRN-1051 was administered at 30 mg/kg/day.

### ATRN-1051 Exhibits Strong Tumor Control in CCNE1-Overexpressing CDX Model



In preclinical studies conducted in mice, ATRN-1051 has also demonstrated potentially favorable pharmacokinetic properties as assessed by the area under the curve, or AUC, a commonly used measure of drug exposure. Head-to-head studies of ATRN-1051 versus the oral ZN-c3 and AZD-1775 have not been conducted; however, data for the ZN-c3 and AZD-1775 have been previously disclosed by Zentalis and suggest ATRN-1051 may have potentially advantageous drug exposure. Exploratory studies are underway to assess potential optimization of ATRN-1051 formulation as well as dose range finding and tolerability studies in rats and dogs to support an IND-enabling package.

**ATRN-1051 Exhibits Potentially Favorable Pharmacokinetic Properties**

	Aprea ATRN-1051 <sup>(1)</sup>	Zentalis ZN-c3 <sup>(2)</sup>			AstraZeneca AZD-1775 <sup>(2)</sup>		
<b>Dose, mg/kg/day</b>	10	20	40	80	20	40	80
<b>C<sub>max</sub>, ng/mL</b>	1460	1167	1997	5100	635	2460	4703
<b>T<sub>max</sub>, hr</b>	2.7	1	1	1	1	1	1
<b>AUC<sub>0-24</sub>, ng*hr/mL</b>	16739	4863	17088	39722	1494	6313	13408

(1) Data from an exploratory formulation of ATRN-1051 administered to fasted Balb/c mice

(2) Data from study in A-427 NSCLC xenograft model as reported in Zentalis Corporate Overview, March 2022

Based on the preclinical profile of ATRN-1051, we have commenced IND-enabling studies and anticipate filing of an IND with FDA by the end of 2023.

*Inhibitors of Other DDR Targets*

We have initiated an early preclinical research program, APRE-DDRi, to identify small molecule inhibitors of a distinct DDR target for patients with solid tumors characterized by various cancer-associated mutations.

*Platform of Integrated Discovery Technologies for Synthetic Lethality and Biomarker Discovery*

Our development pipeline is based on our discovery platforms and a rationally designed series of molecules. We have developed highly selective small molecule regulators of DDR proteins that may play fundamental roles in these response pathways.

Our drug discovery and development processes integrate three unique platforms: Repli-Biom, ATRIZE™ and SCET™. These integrated technologies provide us with the opportunity to enrich our pipeline with potentially novel targets in synthetic lethality and cancer treatment. In addition, by utilizing our integrated technologies we have identified cancer-associated gene alterations that may lead to increased sensitivity to our DDR inhibitors and may provide future opportunities for improved efficacy and tolerability in cancer treatment.

*Repli-Biom*

Repli-Biom is designed to identify proteins that cancer cells use to resist the effects of drug treatment. This integrated proteomic, genomic and machine learning approach is designed to identify response factors that both participate in the molecular response to drug treatment and are highly mutated in cancers.

Absence of these resistance factors predicts sensitivity to drug treatment, thus potentially promoting durable drug responses. In addition, this approach is being used to identify combination therapy approaches and new drug targets to advance our drug development programs. Thus, we believe that Repli-Biom has the potential to identify candidate biomarkers of therapeutic benefit to our product candidates as well as novel synthetic lethality targets.

*ATRIZE*

ATRIZE is an innovative, high-throughput system designed to detect disruption of DNA synthesis and DDR activation, and thus is potentially ideal for screening DDR inhibitors. ATRIZE may reduce the time required to discover active drug candidates and optimize their design for precision cancer therapy.

*SCET*

SCET is a medicinal chemistry cyclization approach to generate highly potent and selective enzyme inhibitors. The SCET approach enables the design and synthesis of novel conformationally constrained drug candidates with potentially



higher affinity and specificity for the target enzyme. By utilizing this approach, we believe that we have developed highly potent and specific anticancer drug candidates with decreased off-target activities.

## **Manufacturing**

We currently contract with third parties for the manufacture of our product candidates for certain preclinical studies and clinical trial materials, including raw materials and consumables necessary for their manufacture, consistent with applicable cGMP requirements. We intend to continue to contract for these materials in the future, including commercial manufacture if our product candidates receive marketing approval. We do not own or operate cGMP manufacturing facilities, nor do we currently plan to build our own cGMP manufacturing capabilities for the production of our product candidates for clinical or commercial use.

Although we rely upon contract manufacturers for the manufacture of our product candidates for IND-enabling trials and clinical trials, we have personnel and consultants who oversee our contract manufacturers. In the future, we may also rely upon collaboration partners, in addition to contract manufacturers, for the manufacture of our product candidates or any products for which we obtain marketing approval.

Currently, we have agreements with two contract manufacturers for the manufacture of ATRN-119 active pharmaceutical ingredient, or API, and drug product. We currently have agreements with a single contract manufacturer for ATRN-1051. We believe that these third parties have sufficient capacity to meet our current demand and, in the event they fail to meet our demand, we believe that adequate alternative sources for the supply of materials for our product candidates exist.

We expect that one or more of our current contract manufacturers will have capacity to support commercial scale production but we do not have any formal agreements in place at this time given our early stage of development. If needed, we believe we can identify and establish agreements with additional contract manufacturers to provide API as well as drug product. We intend to identify and qualify additional manufacturers to provide the API and other services prior to seeking marketing approval for any of our product candidates.

All of our product candidates are small molecules and are manufactured in synthetic processes from available starting materials. The chemistry underlying our product candidates appears amenable to scale-up and does not currently require unusual equipment in the manufacturing process. We expect to continue to develop product candidates that can be produced cost-effectively at contract manufacturing facilities.

Manufacturing clinical products is subject to extensive regulations that impose various procedural and documentation requirements, which govern record keeping, manufacturing processes and controls, personnel, quality control and quality assurance. Our contract manufacturers are required to comply with current good manufacturing practice regulations, which are regulatory requirements for the production of pharmaceuticals that will be used in humans.

## **Competition**

The pharmaceutical and biotechnology industries generally, and the cancer drug sector specifically, are highly competitive and characterized by rapidly advancing technologies, evolving understanding of disease etiology and a strong emphasis on proprietary drugs. While we believe that our product candidates, development capabilities, experience and scientific knowledge provide us with competitive advantages, we face significant potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

There are a large number of companies developing or marketing treatments for cancer, including the indications for which we may develop product candidates. Many of the companies that we compete against or may compete against in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do.



Small 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 that may be necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we may develop. Our competitors also may obtain FDA or other regulatory approval for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. The key competitive factors affecting the success of all of our product candidates, if approved, are likely to be their efficacy, safety, convenience and price, in guiding the use of related therapeutics, the level of generic competition and the availability of reimbursement from government and other third-party payors.

The most common methods of treating patients with cancer are surgery, radiation and therapy with drugs or biologics. There are a variety of available drug therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. Some of the currently-approved drug therapies are branded and subject to patent protection and may be established as standard of care for the treatment of indications for which we may choose to seek regulatory approvals. Many of these approved drugs are well-established therapies and are widely accepted by physicians, patients and third-party payors, and even if our drug candidates were to be approved, there can be no assurance that our drugs would displace existing treatments.

In addition to currently marketed therapies, there are also a number of drugs in late-stage clinical development to treat cancer, including for the treatment of the indications for which we are developing product candidates. These clinical-stage drug candidates may provide efficacy, safety, convenience and other benefits that are not provided by currently-marketed therapies. As a result, they may provide significant competition for any of our product candidates for which we obtain regulatory approval.

With respect to our lead product candidate, ATRN-119, and our second-generation product candidate, ATRN-354, several companies are developing ATR inhibitors, including Antengene, Artios Pharma, AstraZeneca, Bayer, IMPACT Therapeutics, Merck Serono and Repare Therapeutics. Several of these companies are conducting clinical trials with their ATR inhibitors as monotherapy and/or in combination with other chemotherapies and targeted agents.

With respect to our WEE1 inhibitor product candidate, ATRN-1051, several companies are developing WEE1 inhibitors, including Debiopharm, IMPACT Therapeutics, Schrodinger and Zentalis Pharmaceuticals. Several of these companies are conducting clinical trials with their WEE1 inhibitors as monotherapy and/or in combination with other chemotherapies and targeted agents. AstraZeneca was previously developing a clinical-stage WEE1 inhibitor but reported discontinuation of further development in July 2022.

### **Intellectual Property**

We strive to protect the proprietary technologies that we believe are important to our business, including seeking and maintaining patent protection intended to cover claims directed to composition of matter, methods-of-use, formulations, and manufacturing processes for our product candidates, as well as other inventions that are important to our business.

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions, and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing the valid and enforceable patents and other proprietary rights of third parties.

A third party may hold intellectual property, including patent rights, which are important or necessary to the development or commercialization of our product candidates. If it becomes necessary for us to use patented or proprietary technology of third parties to develop or commercialize our product candidates, we may need to seek a license from such third parties. Our business could be harmed, possibly materially, if we are unable to obtain such a license on terms that are commercially reasonable, or at all.

We may seek to expand our intellectual property estate by filing patent applications directed to dosage forms, methods of treatment, diagnostics, and additional compounds and their derivatives. Specifically, we have sought and will continue to seek patent protection in the United States and internationally for novel compositions of matter covering the compounds of our product candidates, the chemistries and processes for manufacturing these compounds, and the use of these compounds in a variety of therapies. The chemical structure of eprenetapopt is in the public domain. Accordingly, we do not own or license any composition of matter patents claiming the compound of eprenetapopt and will not in the future own or license any composition of matter patents claiming the chemical structure of eprenetapopt as described in the public domain.

The patent positions of biopharmaceutical companies like us are generally uncertain and involve complex legal, scientific and factual questions. In addition, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Consequently, we do not know whether any of our product candidates will be protectable or remain protected by enforceable patents. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. Any patents that we hold may be challenged, circumvented or invalidated by third parties.

Because patent applications in the United States and certain other jurisdictions are maintained in secrecy for 18 months, and since publication of discoveries in the scientific or patent literature often lags actual discoveries, we cannot be certain of the priority of inventions covered by pending patent applications. Moreover, we may have to participate in interference proceedings declared by the United States Patent and Trademark Office, or USPTO, to determine priority of invention or in post-grant challenge proceedings at the USPTO or at a foreign patent office, such as inter partes review and post grant review proceedings at the USPTO and opposition proceedings at the European Patent Office, that challenge priority of invention or other features of patentability. Such proceedings could result in substantial cost, even if the eventual outcome is favorable to us. For more information regarding the risks related to our intellectual property, see “Risk Factors—Risks Related to Our Intellectual Property.”

#### ***Patent portfolio***

As of December 31, 2022, our exclusively owned patent portfolio is comprised of approximately 7 distinct patent families, protecting our technology across our pipeline. Excluding applications that we are not currently prosecuting, our portfolio consists of 6 issued U.S. patents, approximately 3 pending U.S. applications, 1 international (PCT) patent applications, approximately 105 foreign issued patents and approximately 17 pending foreign patent applications. The claims of these owned patents and patent applications are directed toward various aspects of our product candidates and research programs.

As of December 31, 2022, the portion of our portfolio for DDR inhibitors, including our ATR and WEE1 programs, consists of 4 issued U.S. patents, 2 U.S. patent applications, 5 pending non-U.S. patent applications, and 15 non-U.S. patents. The claims of these owned patents and patent applications are directed toward composition of matter, pharmaceutical compositions and methods of use. The granted patents and pending applications, if issued, in this family are expected to expire between 2035 and 2042, not giving effect to any potential patent term extensions and patent term adjustments and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

As of December 31, 2022, the portion of our portfolio for p53 reactivators, including eprenetapopt, consists of 2 issued U.S. patents, 1 pending U.S. application, 1 international (PCT) patent application, approximately 90 foreign issued patents and approximately 12 pending foreign patent applications. The claims of these owned patents and patent applications are directed toward composition of matter for product candidates other than eprenetapopt, drug product formulations and methods of use. The granted patents and pending applications, if issued, in this family are expected to expire between 2025 and 2040, not giving effect to any potential patent term extensions and patent term adjustments and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

### ***Intellectual property protection***

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application.

In the United States, the Hatch-Waxman Act permits a patent holder to apply for patent term extension of a patent that covers an FDA-approved drug, which, if granted, can extend the patent term of such patent to compensate for part of the patent term lost during the FDA regulatory review process. This extension can be for up to five years beyond the original expiration date of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review. Patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent applicable to an approved drug may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended.

Similar provisions are available in Europe and other non-United States jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our product candidates receive FDA approval, we expect to apply for patent term extensions on patents covering those product candidates. While we intend to seek patent term extensions to any of our patents in any jurisdiction where such extensions are available, there is no guarantee that the applicable authorities, including the FDA and the USPTO in the United States, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions.

In addition to our reliance on patent protection for our inventions, product candidates and research programs, we also rely on trade secrets and confidentiality agreements to protect our technology, know-how and other aspects our business that are not amenable to, or that we do not consider appropriate for, patent protection. Although we take steps to protect our proprietary information and trade secrets, including through contractual means with our employees and consultants, third parties may independently develop substantially equivalent proprietary information and techniques or otherwise gain access to our trade secrets or disclose our technology. Thus, we may not be able to meaningfully protect our trade secrets. It is our policy to require our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information concerning our business or financial affairs developed or made known to the individual or entity during the course of the party's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. In the case of employees, the agreements provide that all inventions conceived by the individual, and which are related to our current or planned business or research and development or made during normal working hours, on our premises or using our equipment or proprietary information, are our exclusive property. However, such confidentiality agreements and invention assignment agreements can be breached and we may not have adequate remedies for any such breach. For more information regarding the risks related to our intellectual property, see "Risk Factors—Risks Related to Our Intellectual Property."

### **Government Regulation**

#### ***Government regulation and product approvals***

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, including the EU, extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of drug products. The processes for obtaining marketing approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

#### ***Review and approval of drugs in the United States***

In the United States, the FDA approves drug products under the Federal Food, Drug, and Cosmetic Act, or FDCA, and implementing regulations. The failure to comply with applicable requirements under the FDCA and other applicable

laws at any time during the product development process, approval process or after approval may subject an applicant and/or sponsor to a variety of administrative or judicial sanctions, including refusal by the FDA to approve pending applications, withdrawal of an approval, debarment, imposition of a clinical hold, issuance of warning letters and other types of letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement of profits, or civil or criminal investigations and penalties brought by the FDA and the Department of Justice or other governmental entities.

An applicant seeking approval to market and distribute a new drug product in the United States must typically undertake the following:

- completion of preclinical laboratory tests, animal studies and formulation studies in compliance with applicable FDA good laboratory practice, or GLP, regulations;
- submission to the FDA of an IND, which must take effect before human clinical trials begin;
- approval by an independent institutional review board, or IRB, representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practices, or GCP, and other applicable regulations to establish the safety and efficacy of the proposed drug product for each proposed indication;
- preparation and submission to the FDA of an NDA requesting marketing for one or more proposed indications;
- review by an FDA advisory committee, where appropriate or if applicable;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities at which the product, or components thereof, are produced to assess compliance with current Good Manufacturing Practices, or cGMP, requirements and to assure that the facilities, methods and controls are adequate to preserve the product's identity, strength, quality and purity;
- satisfactory completion of FDA audits of clinical trial sites to assure compliance with GCPs and the integrity of the clinical data;
- payment of user fees and securing FDA approval of the NDA; and
- compliance with any post-approval requirements, including the potential requirement to implement a Risk Evaluation and Mitigation Strategy, or REMS, and the potential requirement to conduct post-approval studies.

Satisfaction of FDA pre-market approval requirements typically takes many years and the actual time required may vary substantially based upon the type, complexity, and novelty of the product candidate or disease. A clinical hold may occur at any time during the life of an IND and may affect one or more specific trials or all trials conducted under the IND. The testing and approval process requires substantial time, effort, and financial resources.

#### *Preclinical studies*

Before an applicant begins testing a compound with potential therapeutic value in humans, the drug candidate enters the preclinical testing stage. Preclinical studies include laboratory evaluation of product chemistry, toxicity and formulation, as well as *in vitro* and animal studies to assess the potential safety and activity of the drug for initial testing in humans and to establish a rationale for therapeutic use. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations. The results of the preclinical tests, together with manufacturing information,

analytical data, any available clinical data or literature and plans for clinical trials, among other things, are submitted to the FDA as part of an IND. Some long-term preclinical testing, such as animal tests of reproductive adverse events and carcinogenicity, may continue after the IND is submitted.

#### *The IND and IRB processes*

An IND is an exemption from the FDCA that allows an unapproved drug to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA authorization to administer an investigational drug to humans. Such authorization must be secured prior to interstate shipment and administration of any new drug that is not the subject of an approved NDA. In support of a request for an IND, a sponsor must submit, among other things, a protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. The sponsor may be a company seeking to develop the drug or, as in the case of an investigator-initiated trial, the sponsor may be an investigator who is conducting the trial. In addition, the results of the preclinical tests, together with manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, are submitted to the FDA as part of an IND. The FDA requires a 30-day waiting period after the filing of each IND before clinical trials may begin. This waiting period is designed to allow the FDA to review the IND to determine whether human research subjects will be exposed to unreasonable health risks. At any time during this 30-day period, the FDA may raise concerns or questions about the conduct of the trials as outlined in the IND and impose a clinical hold. In this case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin. If the FDA has neither commented on nor questioned the IND within this 30-day period, the clinical trial proposed in the IND may begin.

Following commencement of a clinical trial under an IND, the FDA may also place a clinical hold or partial clinical hold on that trial. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. For example, a specific protocol or part of a protocol is not allowed to proceed, while other protocols may do so. No more than 30 days after imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation may only resume after the FDA has notified the sponsor that the investigation may proceed. The FDA will base that determination on information provided by the sponsor correcting the deficiencies previously cited or otherwise satisfying the FDA that the investigation can proceed.

A sponsor may choose, but is not required, to conduct a foreign clinical study under an IND. When a foreign clinical study is conducted under an IND, all IND requirements must be met unless waived. When the foreign clinical study is not conducted under an IND, the sponsor must ensure that the study complies with certain FDA regulatory requirements in order to use the study as support for an IND or application for marketing approval. Specifically, FDA has promulgated regulations governing the acceptance of foreign clinical trials not conducted under an IND, establishing that such studies will be accepted as support for an IND or application for marketing approval if the study was conducted in accordance with GCP, including review and approval by an independent ethics committee, or IEC, and use of proper procedures for obtaining informed consent from subjects, and the FDA is able to validate the data from the study through an on-site inspection if FDA deems such inspection necessary. The GCP requirements encompass both ethical and data integrity standards for clinical studies. The FDA's regulations are intended to help ensure the protection of human subjects enrolled in non-IND foreign clinical trials, as well as the quality and integrity of the resulting data. They further help ensure that non-IND foreign studies are conducted in a manner comparable to that required for IND studies. If a marketing application is based solely on foreign clinical data, the FDA requires that the foreign data be applicable to the U.S. population and U.S. medical practice; the studies must have been performed by clinical investigators of recognized competence; and the FDA must be able to validate the data through an on-site inspection or other appropriate means, if the FDA deems such an inspection to be necessary.

In addition to the foregoing IND requirements, an IRB representing each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution, and the IRB must conduct continuing review and reapprove the study at least annually. The IRB must review and approve, among other things, the study protocol and informed consent information to be provided to study subjects. An IRB must operate in compliance with FDA regulations. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it

represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development, as well as amendments to previously submitted clinical trials. Further, an independent IRB for each institution participating in the clinical trial must review and approve the plan for any clinical trial, its informed consent form, and other communications to study subjects before the clinical trial commences at that site. The IRB must continue to oversee the clinical trial while it is being conducted, including any changes to the study plans.

Additionally, some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated check points based on access that only the group maintains to available data from the study. Suspension or termination of development during any phase of clinical trials can occur if it is determined that the participants or patients are being exposed to an unacceptable health risk. Other reasons for suspension or termination may be made by us based on evolving business objectives and/or competitive climate.

Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health, or NIH, for public dissemination on its ClinicalTrials.gov website.

#### *Human clinical trials in support of an NDA*

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCP requirements, which include, among other things, the requirement that all research subjects provide their informed consent in writing before their participation in any clinical trial. Clinical trials are conducted under written study protocols detailing, among other things, the inclusion and exclusion criteria, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated.

Human clinical trials are typically conducted in the following sequential phases, which may overlap or be combined:

- Phase 1:* The drug is initially introduced into healthy human subjects or, in certain indications such as cancer, patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an early indication of its effectiveness and to determine optimal dosage.
- Phase 2:* The drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.
- Phase 3:* The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product, and to provide adequate information for the labeling of the product.
- Phase 4:* Post-approval studies, which are conducted following initial approval, are typically conducted to gain additional experience and data from treatment of patients in the intended therapeutic indication.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious AEs occur. In addition, IND safety reports must be submitted to the FDA for any of the following: serious and unexpected suspected adverse reactions for which there is evidence to suggest a causal relationship between the drug and the AE; findings from other studies or animal or *in vitro* testing that suggest a significant risk in humans exposed to the drug; and any clinically important increase in the case of a serious suspected adverse reaction over that listed in the protocol or investigator brochure. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed

successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. The FDA will typically inspect one or more clinical sites to assure compliance with GCP and the integrity of the clinical data submitted.

Regulatory authorities, an IRB or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk, the clinical trial is not being conducted in accordance with the FDA's or the IRB's requirements, or if the drug has been associated with unexpected serious harm to subjects. Some studies also include a data safety monitoring board, which receives special access to unblinded data during the clinical trial and may advise the sponsor to halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy.

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

#### *Submission of an NDA to the FDA*

Assuming successful completion of required clinical testing and other requirements, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the drug product for one or more indications. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from several alternative sources, including investigator-initiated trials that are not sponsored by company. Under federal law, the submission of NDAs requiring clinical data is additionally subject to an application user fee, which for federal fiscal year 2023 is \$3,242,023. The sponsor of an approved NDA is also subject to annual program fees, which for fiscal year 2023 are \$393,933 per eligible product.

The FDA conducts a preliminary review of an NDA within 60 days of its receipt and informs the sponsor whether the application is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA has agreed to specified performance goals in the review process of NDAs. Most such applications are meant to be reviewed within ten months from the filing date, and most applications for "priority review" products are meant to be reviewed within six months of the filing date. The review process and the Prescription Drug User Fee Act goal date may be extended by the FDA for three additional months to consider new information or clarification provided by the applicant to address an outstanding deficiency identified by the FDA following the original submission.

Before approving an NDA, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. These pre-approval inspections may cover all facilities associated with an NDA submission, including drug component manufacturing (such as APIs), finished drug product manufacturing, and control testing laboratories. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP.

In addition, as a condition of approval, the FDA may require an applicant to develop a REMS. REMS use risk minimization strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential



risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease, expected benefit of the product, expected duration of treatment, seriousness of known or potential adverse events, and whether the product is a new molecular entity. REMS can include medication guides, physician communication plans for healthcare professionals, and elements to assure safe use, or ETASU. ETASU may include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The FDA may require a REMS before approval or post-approval if it becomes aware of a serious risk associated with use of the product. The requirement for a REMS can materially affect the potential market and profitability of a product.

The FDA is required to refer an application for a novel drug to an advisory committee or explain why such referral was not made. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

#### *Fast track, breakthrough therapy and priority review designations*

The FDA is authorized to designate certain products for expedited review if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. These programs are referred to as fast track designation, breakthrough therapy designation and priority review designation. In May 2014, the FDA published a final Guidance for Industry titled “Expedited Programs for Serious Conditions–Drugs and Biologics,” which provides guidance on the FDA programs that are intended to facilitate and expedite development and review of new product candidates as well as threshold criteria generally applicable to concluding that a product candidate is a candidate for these expedited development and review programs.

Specifically, the FDA may designate a product for Fast Track review if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product’s application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a Fast Track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees. However, the FDA’s time period goal for reviewing a Fast Track application does not begin until the last section of the application is submitted. In addition, the Fast Track designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Second, a product may be designated as a Breakthrough Therapy if it is intended, either alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The FDA may take certain actions with respect to Breakthrough Therapies, including holding meetings with the sponsor throughout the development process; providing timely advice to the product sponsor regarding development and approval; involving more senior staff in the review process; assigning a cross-disciplinary project lead for the review team; and taking other steps to design the clinical trials in an efficient manner.

Third, the FDA may designate a product for priority review if it is a product that treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness. The FDA determines, on a case-by-case basis, whether the proposed product represents a significant improvement when compared with other available therapies. Significant improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting product reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, and evidence of safety and effectiveness in a new subpopulation. A priority designation is intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA’s goal for taking action on a marketing application from ten months to six months.



### *Accelerated approval pathway*

The FDA may grant accelerated approval to a drug for a serious or life-threatening condition that provides meaningful therapeutic advantage to patients over existing treatments based upon a determination that the drug has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit. The FDA may also grant accelerated approval for such a condition when the product has an effect on an intermediate clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality, or IMM, and that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity or prevalence of the condition and the availability or lack of alternative treatments. Drugs granted accelerated approval must meet the same statutory standards for safety and effectiveness as those granted traditional approval.

For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. An intermediate clinical endpoint is a measurement of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a drug, such as an effect on IMM. The FDA has limited experience with accelerated approvals based on intermediate clinical endpoints, but has indicated that such endpoints generally may support accelerated approval where the therapeutic effect measured by the endpoint is not itself a clinical benefit and basis for traditional approval, if there is a basis for concluding that the therapeutic effect is reasonably likely to predict the ultimate clinical benefit of a drug.

The accelerated approval pathway is most often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a drug, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly. Thus, accelerated approval has been used extensively in the development and approval of drugs for treatment of a variety of cancers in which the goal of therapy is generally to improve survival or decrease morbidity and the duration of the typical disease course requires lengthy and sometimes large trials to demonstrate a clinical or survival benefit.

The accelerated approval pathway is contingent on a sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the drug's clinical benefit. As a result, a drug candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of Phase 4 or post-approval clinical trials to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or confirm a clinical benefit during post-marketing studies, would allow the FDA to withdraw the drug from the market on an expedited basis. All promotional materials for drug candidates approved under accelerated regulations are subject to prior review by the FDA.

Even if a product qualifies for one or more of these programs, the FDA may later decide that the product no longer meets the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. In addition, the manufacturer of an investigational drug for a serious or life-threatening disease is required to make available, such as by posting on its website, its policy on responding to requests for expanded access. Furthermore, fast track designation, breakthrough therapy designation, accelerated approval and priority review do not change the standards for approval and may not ultimately expedite the development or approval process.

*The FDA's decision on an NDA*

The FDA reviews applications to determine, among other things, whether a product is safe and effective for its intended use and whether the manufacturing controls are adequate to assure and preserve the product's identity, strength, quality and purity. Before approving an NDA, the FDA will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities, including contract manufacturers and subcontracts, are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA, the FDA will typically inspect one or more clinical trial sites to assure compliance with GCPs.

Once the FDA receives an application, it has 60 days to review the NDA to determine if it is substantially complete to permit a substantive review, before it accepts the application for filing. Once the submission is accepted for filing, the FDA begins an in-depth review of the NDA. Under the goals and policies agreed to by the FDA under Prescription Drug User Fee Act, or PDUFA, the FDA has set the review goal of 10 months from the 60-day filing date to complete its initial review of a standard NDA for a new molecular entity, or NME, and make a decision on the application. For priority review applications, the FDA has set the review goal of reviewing NME NDAs within six months of the 60-day filing date. Such deadlines are referred to as the PDUFA date. The PDUFA date is only a goal and the FDA does not always meet its PDUFA dates. The review process and the PDUFA date may also be extended if the FDA requests or the NDA sponsor otherwise provides additional information or clarification regarding the submission during the review period that amends the original application.

On the basis of the FDA's evaluation of the NDA and accompanying information, including the results of the inspection of the manufacturing facilities, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If and when those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA, the FDA will issue an approval letter. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

If the FDA approves a product, it may limit the approved indications for use for the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess the drug's safety after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, including REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs. After approval, many types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are subject to further testing requirements and FDA review and approval.

In addition, under the Pediatric Research Equity Act, an NDA or supplement to an NDA for a new active ingredient, indication, dosage form, dosage regimen or route of administration must contain data that are adequate to assess the safety and efficacy of the drug for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults or full or partial waivers from the pediatric data requirements

*Post-approval requirements*

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion and reporting of adverse experiences with the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA

review and approval. There also are continuing, annual user fee requirements for any marketed products and the establishments at which such products are manufactured, as well as new application fees for supplemental applications with clinical data.

In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the sponsor and any third-party manufacturers that the NDA holder may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

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

- restrictions on the marketing or manufacturing of the product, including total or partial suspension of production, complete withdrawal of the product from the market or product recalls;
- fines, warning or untitled letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product license approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in a manner and for uses consistent with the approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

In addition, the distribution of prescription drug products is subject to the Prescription Drug Marketing Act, or PDMA, which regulates the distribution of drugs and drug samples at the federal level, and sets minimum standards for the registration and regulation of drug distributors by the states. Both the PDMA and state laws limit the distribution of prescription drug product samples and impose requirements to ensure accountability in distribution.

Failure to comply with any of the FDA's requirements could result in significant adverse enforcement actions. These include a variety of administrative or judicial sanctions, such as refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, imposition of a clinical hold or termination of clinical trials, warning letters, untitled letters, modification of promotional materials or labeling, product recalls, product seizures or detentions, refusal to allow imports or exports, total or partial suspension of production or distribution, debarment, injunctions, fines, consent decrees, corporate integrity agreements, refusals of government contracts and new orders under existing contracts, exclusion from participation in federal and state healthcare programs, restitution, disgorgement or civil or criminal penalties, including fines and imprisonment. It is also possible that failure to comply with the FDA's requirements relating to the promotion of prescription drugs may lead to investigations alleging violations of federal and state healthcare fraud and abuse and other laws, as well as state consumer protection laws. Any of these sanctions could result in adverse publicity, among other adverse consequences.

### *U.S. Marketing Exclusivity*

In 1984, with passage of the Hatch-Waxman Amendments to the FDCA, Congress established an abbreviated regulatory scheme allowing the FDA to approve generic drugs that are shown to contain the same active ingredients as, and to be bioequivalent to, drugs previously approved by the FDA pursuant to NDAs. To obtain approval of a generic drug, an applicant must submit an abbreviated new drug application, or ANDA, to the agency. An ANDA is a comprehensive submission that contains, among other things, data and information pertaining to the API, bioequivalence, drug product formulation, specifications and stability of the generic drug, as well as analytical methods, manufacturing process validation data and quality control procedures. ANDAs are “abbreviated” because they generally do not include preclinical and clinical data to demonstrate safety and effectiveness. Instead, in support of such applications, a generic manufacturer may rely on the preclinical and clinical testing previously conducted for a drug product previously approved under an NDA, known as the reference-listed drug, or RLD.

Specifically, in order for an ANDA to be approved, the FDA must find that the generic version is identical to the RLD with respect to the active ingredients, the route of administration, the dosage form, and the strength of the drug. An applicant may submit an ANDA suitability petition to request the FDA’s prior permission to submit an abbreviated application for a drug that differs from the RLD in route of administration, dosage form, or strength, or for a drug that has one different active ingredient in a fixed-combination drug product (i.e., a drug product with multiple active ingredients). At the same time, the FDA must also determine that the generic drug is “bioequivalent” to the innovator drug. Under the statute, a generic drug is bioequivalent to a RLD if “the rate and extent of absorption of the drug do not show a significant difference from the rate and extent of absorption of the listed drug.” Upon approval of an ANDA, the FDA indicates whether the generic product is “therapeutically equivalent” to the RLD in its publication “Approved Drug Products with Therapeutic Equivalence Evaluations,” also referred to as the “Orange Book.” Physicians and pharmacists may consider a therapeutic equivalent generic drug to be fully substitutable for the RLD. In addition, by operation of certain state laws and numerous health insurance programs, the FDA’s designation of therapeutic equivalence often results in substitution of the generic drug without the knowledge or consent of either the prescribing physician or patient.

Under the Hatch-Waxman Amendments, the FDA may not approve an ANDA until any applicable period of non-patent exclusivity for the RLD has expired. The FDCA provides a period of five years of non-patent data exclusivity for a new drug containing a new chemical entity. For the purposes of this provision, an NCE is a drug that contains no active moiety that has previously been approved by the FDA in any other NDA. An active moiety is the molecule or ion responsible for the physiological or pharmacological action of the drug substance. In cases where such NCE exclusivity has been granted, an ANDA may not be submitted to the FDA until the expiration of five years from the date the NDA is approved, unless the submission is accompanied by a Paragraph IV certification that a listed patent for the RLD is invalid or will not be infringed by the drug that is the subject of the ANDA, in which case the applicant may submit its application four years following the original product approval.

The FDCA also provides for a period of three years of exclusivity if the NDA includes reports of one or more new clinical investigations, other than bioavailability or bioequivalence studies, that were conducted by or for the applicant and are essential to the approval of the application. This three-year exclusivity period often protects changes to a previously approved drug product, such as a new dosage form, route of administration, combination or indication. Three-year exclusivity would only be available for a drug product that contains a previously approved active moiety, provided the statutory requirement for a new clinical investigation is satisfied. Unlike five-year NCE exclusivity, an award of three-year exclusivity does not block the FDA from accepting ANDAs seeking approval for generic versions of the drug as of the date of approval of the original drug product; it does, however, block the FDA from approving ANDAs during the period of exclusivity. The FDA typically makes decisions about awards of data exclusivity shortly before a product is approved.

### *505(b)(2) NDAs*

As an alternative path to FDA approval for modifications to formulations or uses of products previously approved by the FDA pursuant to an NDA, an applicant may submit an NDA under Section 505(b)(2) of the FDCA. Section 505(b)(2) was enacted as part of the Hatch-Waxman Amendments and permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by, or for, the applicant, and for which the applicant

has not obtained a right of reference. If the 505(b)(2) applicant can establish that reliance on FDA's previous findings of safety and effectiveness is scientifically and legally appropriate, it may eliminate the need to conduct certain preclinical studies or clinical trials of the new product. The FDA may also require companies to perform additional bridging studies or measurements, including clinical trials, to support the change from the previously approved reference drug. The FDA may then approve the new product candidate for all, or some, of the label indications for which the reference drug has been approved, as well as for any new indication sought by the 505(b)(2) applicant. An RLD's unexpired non-patent exclusivities would also block FDA from accepting or approving 505(b)(2) NDAs in the same way as they apply to ANDAs.

#### *Hatch-Waxman patent certification and the 30-Month Stay*

Upon approval of an NDA or a supplement thereto, NDA sponsors are required to list with the FDA each patent with claims that cover the applicant's product or an approved method of using the product. Each of the patents listed by the NDA sponsor is published in the Orange Book. When an ANDA applicant files its application with the FDA, the applicant is required to certify to the FDA concerning any patents listed for the reference product in the Orange Book, except for patents covering methods-of-use for which the ANDA applicant is not seeking approval. To the extent that the Section 505(b)(2) applicant is relying on studies conducted for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would.

Specifically, the applicant must certify with respect to each patent that:

- the required patent information has not been filed;
- the listed patent has expired;
- the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or
- the listed patent is invalid, unenforceable or will not be infringed by the new product.

A certification that the new product will not infringe the already approved product's listed patents or that such patents are invalid or unenforceable is called a Paragraph IV certification. If the applicant does not challenge the listed patents or indicates that it is not seeking approval of a patented method of use, the application will not be approved until all the listed patents claiming the referenced product have expired (other than method of use patents involving indications for which the applicant is not seeking approval).

If the ANDA or 505(b)(2) applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA or 505(b)(2) application has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days after the receipt of a Paragraph IV certification automatically prevents the FDA from granting final approval of the application until the earlier of 30 months after the receipt of the Paragraph IV notice, expiration of the patent, or a decision in the infringement case that is favorable to the applicant. The ANDA or 505(b)(2) application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the branded reference drug has expired.

#### *Pediatric studies and exclusivity*

Under the Pediatric Research Equity Act of 2003, an NDA or supplement thereto must contain data that are adequate to assess the safety and effectiveness of the drug product for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. With enactment of the Food and Drug Administration Safety and Innovation Act of 2012, sponsors must also submit pediatric study plans prior to the assessment data.

Those plans must contain an outline of the proposed pediatric study or studies the applicant plans to conduct, including study objectives and design, any deferral or waiver requests, and other information required by regulation. The applicant, the FDA, and the FDA's internal review committee must then review the information submitted, consult with each other, and agree upon a final plan. The FDA or the applicant may request an amendment to the plan at any time.

The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements. Additional requirements and procedures relating to deferral requests and requests for extension of deferrals are contained in FDASIA. Unless otherwise required by regulation, the pediatric data requirements do not apply to products with orphan designation.

Pediatric exclusivity is another type of non-patent marketing exclusivity in the United States and, if granted, provides for the attachment of an additional six months of marketing protection to the term of any existing regulatory exclusivity, including the non-patent and orphan exclusivity. This six-month exclusivity may be granted if an NDA sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The data do not need to show the product to be effective in the pediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. If reports of requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity or patent protection cover the product are extended by six months. This is not a patent term extension, but it effectively extends the regulatory period during which the FDA cannot approve another application. FDA may only grant pediatric exclusivity if existing patent or exclusivity protections for the drug would otherwise expire at least 9 months after the grant of the pediatric exclusivity; FDA has 180 days to make a pediatric exclusivity determination once the NDA sponsor submits study reports required under the written request.

#### *Orphan drug designation and exclusivity*

Under the Orphan Drug Act, the FDA may designate a drug product as an "orphan drug" if it is intended to treat a rare disease or condition (generally meaning that it affects fewer than 200,000 individuals in the United States, or more in cases in which there is no reasonable expectation that the cost of developing and making a drug product available in the United States for treatment of the disease or condition will be recovered from sales of the product). A company must request orphan product designation before submitting an NDA. If the request is granted, the FDA will disclose the identity of the therapeutic agent and its potential use. Orphan product designation does not convey any advantage in or shorten the duration of the regulatory review and approval process. Among the other benefits of orphan drug designation are tax credits for certain research and an exemption from the NDA or BLA application fee. The FDA may revoke orphan drug designation, and if it does, it will publicize that the drug is no longer designated as an orphan drug.

If the sponsor of a product with orphan designation receives the first FDA approval for that drug for the disease or condition for which it has such designation or for a select indication or use within the rare disease or condition for which it was designated, the product generally will receive orphan product exclusivity. Orphan product exclusivity means that the FDA may not approve any other applications for the same product for the same indication for seven years, except in certain limited circumstances. If a drug or drug product designated as an orphan product ultimately receives marketing approval for an indication broader than what was designated in its orphan product application, it may not be entitled to exclusivity. Orphan drug exclusivity, however, could also block the approval of one of our therapeutic candidates for seven years if a competitor obtains orphan drug designation and FDA approval of the same therapeutic candidate for the same condition or disease as our orphan-designated drug.

Orphan exclusivity will not bar approval of another product under certain circumstances, including if a subsequent product with the same active ingredient for the same indication is shown to be clinically superior to the approved product on the basis of greater efficacy or safety, or providing a major contribution to patient care, or if the company with orphan drug exclusivity is not able to meet market demand. Further, the FDA may approve more than one product for the same orphan indication or disease as long as the products contain different active ingredients. Moreover, competitors may receive approval of different products for the indication for which the orphan product has exclusivity or obtain approval for the same product but for a different indication for which the orphan product has exclusivity.

In addition, as the FDA has interpreted the Orphan Drug Act, even if a previously approved same drug does not have unexpired orphan exclusivity, a demonstration of clinical superiority is required for a subsequent marketing application for the same orphan-designated drug for the same disease or condition to be awarded a 7-year period of orphan exclusivity upon marketing approval. In recent years, there have been multiple legal challenges to this FDA interpretation, and in August 2017, Congress amended the orphan drug provisions of the FDCA through enactment of the FDA Reauthorization Act of 2017 to codify FDA's longstanding interpretation. Section 527 of the FDCA now expressly provides that if a sponsor of an orphan-designated drug that is otherwise the same as an already approved drug for the same rare disease or condition is seeking orphan exclusivity, FDA shall require such sponsor, to demonstrate that such drug is clinically superior to any already approved or licensed drug that is the same drug in order to obtain orphan drug exclusivity.

In September 2021, the United States Court of Appeals for the Eleventh Circuit decided in *Catalyst Pharmaceuticals, Inc. v. FDA* that the FDA's interpretation of orphan drug exclusivity "for the same drug for the same disease or condition" as meaning the same "use or indication" was inappropriately narrow. This decision had the potential to significantly broaden the scope of orphan drug exclusivity for drugs that receive marketing approval for orphan indications that are narrower than their orphan-designated conditions in the United States. On January 24, 2023, the FDA issued a statement to address the uncertainty created by the circuit court's decision in *Catalyst*. This notification announced that, at this time, in matters beyond the scope of that court order (i.e., ordering the FDA to set aside its approval of the specific drug at issue), the FDA intends to continue to apply its existing regulations tying orphan-drug exclusivity to the uses or indications for which the orphan drug was approved. We cannot guarantee which rules and interpretations will be governing going forward in different situations, that the FDA will maintain this current position, or that other judicial actions will not impact the FDA's application of the Orphan Drug Act.

#### *Patent term restoration and extension*

A patent claiming a new drug product may be eligible for a limited patent term extension under the Hatch-Waxman Act, which permits a patent restoration of up to five years for patent term lost during product development and the FDA regulatory review. The restoration period granted is typically one-half the time between the effective date of an IND and the submission date of an NDA less any time the applicant did not act with due diligence during the period, plus the time between the submission date of an NDA and the ultimate approval date less any time the applicant did not act with due diligence during the period. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product's approval date. Only one patent applicable to an approved drug product is eligible for the extension, only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended, and the application for the extension must be submitted prior to the expiration of the patent in question. A patent that covers multiple drugs for which approval is sought can only be extended in connection with one of the approvals. The USPTO reviews and approves the application for any patent term extension or restoration in consultation with the FDA. Similar provisions are available in Europe and other foreign jurisdictions to extend the term of a patent that covers an approved drug. In the future, if and when our products receive FDA approval, we expect to apply for patent term extensions on patents covering those products. We plan to seek patent term extensions to any of our issued patents in any jurisdiction where these are available, however there is no guarantee that the applicable authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and if granted, the length of such extensions. For more information regarding the risks related to our intellectual property, see "Risk Factors—Risks Related to Our Intellectual Property."

#### *Regulations outside the United States*

We will be subject to similar foreign laws and regulations concerning the development of our product candidates outside of the United States in the future.

#### *Coverage and reimbursement*

Our ability to commercialize any products successfully will also depend in part on the extent to which coverage and adequate reimbursement for the procedures utilizing our product candidates, performed by health care providers, once approved, will be available from government health administration authorities, private health insurers and other



organizations. Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, determine which procedures, and the products utilized in such procedures, they will cover and establish reimbursement levels. Assuming coverage is obtained for procedures utilizing a given product by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. Patients who undergo procedures for the treatment of their conditions, and their treating physicians, generally rely on third-party payors to reimburse all or part of the costs associated with the procedures which utilize our products. Treating physicians are unlikely to use and order our products unless coverage is provided and the reimbursement is adequate to cover all or a significant portion of the cost of the procedures which utilize our products. Therefore, coverage and adequate reimbursement for procedures which utilize new products is critical to the acceptance of such new products. Coverage decisions may depend upon clinical and economic standards that disfavor new products when more established or lower cost therapeutic alternatives are already available or subsequently become available.

Government authorities and other third-party payors are developing increasingly sophisticated methods of cost containment, such as including price controls, restrictions on coverage and reimbursement and requirements for substitution of less expensive products and procedures. Government and other third-party payors are increasingly challenging the prices charged for health care products and procedures, examining the cost effectiveness of procedures, and the products used in such procedures, in addition to their safety and efficacy, and limiting or attempting to limit both coverage and the level of reimbursement. Further, no uniform policy requirement for coverage and reimbursement exists among third-party payors in the United States, which causes significant uncertainty related to the insurance coverage and reimbursement of newly approved products, and the procedures which may utilize such newly approved products. Therefore, coverage and reimbursement can differ significantly from payor to payor and health care provider to health care provider. As a result, the coverage determination process is often a time-consuming and costly process that requires the provision of scientific and clinical support for the use of new products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance.

There may be significant delays in obtaining coverage and reimbursement for newly approved products, and coverage may be more limited than the purposes for which the product is approved by the FDA. Moreover, eligibility for coverage and reimbursement does not imply that a product, or the procedures which utilize such product, will be paid for in all cases or at a rate which the health care providers who purchase those products will find cost effective. Additionally, we expect pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations, and additional legislative changes.

We cannot be sure that coverage and reimbursement will be available for any product that we commercialize, or the procedures which utilize such product, and, if reimbursement is available, what the level of reimbursement will be. Coverage and reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If coverage and reimbursement are not available or reimbursement is available only to limited levels, we may not successfully commercialize any product candidate for which we obtain marketing approval.

### ***Healthcare law and regulation***

In the United States, our activities are potentially subject to regulation by various federal, state, and local authorities in addition to the FDA, including but not limited to, CMS, other divisions of the U.S. Department of Health and Human Services (such as the Office of Inspector General, or OIG, and the Health Resources and Service Administration), the U.S. Department of Justice, and individual U.S. Attorney offices, and state and local governments. For example, sales, marketing, and scientific/educational grant programs are subject to the federal Anti-Kickback Statute and the federal False Claims Act, may have to comply with the privacy and security provisions of HIPAA (defined below), and may be subject to similar state laws, each as amended, as applicable. Healthcare providers and third-party payors play a primary role in the recommendation and prescription of drug products that are granted marketing approval. Arrangements with providers, consultants, third-party payors and customers are subject to these broadly applicable healthcare laws and regulations that may constrain our business and/or financial arrangements.



The applicable federal and state healthcare laws and regulations, include, without limitation, the following:

- *The Federal Anti-Kickback Statute*—An intent-based federal criminal statute that prohibits, among other things, any person from knowingly and willfully soliciting, offering, receiving or paying remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation or arranging of, any good or service, for which payment may be made, in whole or in part, by a federal health care program, such as Medicare and Medicaid. The term “remuneration” has been broadly interpreted to include anything of value. The PPACA (as defined below), among other things, amended the intent requirement of the federal Anti-Kickback Statute, to clarify that a person or entity need not have actual knowledge of this statute or specific intent to violate it. The Anti-Kickback Statute applies to arrangements between pharmaceutical manufacturers on the one hand and individuals, such as prescribers, patients, purchasers, and formulary managers on the other hand, including, for example, consulting/speaking arrangements, discount and rebate offers, grants, charitable contributions, and patient support offerings, among others. A conviction for violation of the Anti-Kickback Statute can result in criminal fines and/or imprisonment and requires mandatory exclusion from participation in federal health care programs. Exclusion may also be imposed if the government determines that an entity has committed acts that are prohibited by the Anti-Kickback Statute. Although there are a number of statutory exceptions and regulatory safe harbors to the federal Anti-Kickback Statute that protect certain common industry practices from prosecution, the exceptions and safe harbors are narrowly drawn, and arrangements may be subject to scrutiny or penalty if they do not fully satisfy all elements of an available exception or safe harbor. The Anti-Kickback Statute safe harbors have been the subject of recent regulatory reforms. As a general matter, however, any changes to the safe harbors may impact our future contractual and other arrangements with pharmacy benefit managers, group purchasing organizations, third-party payors, wholesalers and distributors, healthcare providers and prescribers, and other entities, as well as our future pricing strategies.
- *The Federal Civil False Claims Act*—Imposes civil penalties, including through civil whistleblower or *qui tam* actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment to a federal health care program or knowingly making using or causing to be made or used a false statement or record material to payment of a false claim or avoiding, decreasing or concealing an obligation to pay money to the federal government, with potential liability including mandatory treble damages and significant per-claim penalties, currently set at \$11,803 to \$23,607 per false claim or statement for penalties assessed after December 13, 2021, with respect to violations occurring after November 2, 2015. Pharmaceutical companies have been investigated and/or subject to government enforcement actions asserting liability under the federal civil False Claims Act in connection with their alleged off-label promotion of drugs, purportedly concealing price concessions in the pricing information submitted to the government for government price reporting purposes (e.g., under the Medicaid Drug Rebate Program), and allegedly providing free product to customers with the expectation that the customers would bill federal health care programs for the product. 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 federal False Claims Act. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes “any request or demand” for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the federal False Claims Act even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. There is also the federal criminal False Claims Act, which is similar to the federal civil False Claims Act and imposes criminal liability on those that make or present a false, fictitious, or fraudulent claim to the federal government.
- *The Federal Criminal Statute on False Statements Relating to Health Care Matters*—Makes it a crime to knowingly and willfully falsify, conceal, or cover up a material fact, make any materially false, fictitious, or fraudulent statements or representations, or make or use any materially false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items, or services.

- *HIPAA Criminal Federal Health Care Fraud Statute*—Enacted as part of the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), makes it a crime to knowingly and willfully execute, or attempt to execute, a scheme or artifice to defraud any health care benefit program or to 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 health care benefit program in connection with the delivery of or payment for healthcare benefits, items, or services.
- *The Federal Civil Monetary Penalties Law*—Authorizes the imposition of substantial civil monetary penalties against an entity, such as a pharmaceutical manufacturer, that engages in activities including, among others (1) knowingly presenting, or causing to be presented, a claim for services not provided as claimed or that is otherwise false or fraudulent in any way; (2) arranging for or contracting with an individual or entity that is excluded from participation in federal healthcare programs to provide items or services reimbursable by a federal healthcare program; (3) violations of the federal Anti-Kickback Statute; or (4) failing to report and return a known overpayment.
- *HIPAA Health Information Privacy and Security*—HIPAA, as amended by the federal Health Information Technology for Economic and Clinical Health Act (“HITECH”) imposes privacy, security, and breach reporting obligations on certain covered entity healthcare providers, health plans, and healthcare clearinghouses as well as their business associates that perform certain services involving the use or disclosure of individually identifiable protected health information, including, among other requirements, to implement certain policies and procedures, to support certain substantive rights of patients, mandatory contractual terms and technical safeguards to protect the privacy, security and transmission of individually identifiable health information, and require notification to affected individuals and regulatory authorities of certain breaches of security of individually identifiable health information. HITECH also created tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in U.S. federal courts to enforce the federal HIPAA laws and seek attorneys’ fees and costs associated with pursuing federal civil actions.
- *The Federal Physician Payments Sunshine Act*—Requires “applicable manufacturers” of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid or the State Children’s Health Insurance Program, among others, to track and report annually to the federal government (for disclosure to the public) certain payments and other transfers of value they make to “covered recipients.” The term covered recipients includes U.S.-licensed physicians, teaching hospitals, physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified nurse anesthetists, and certified nurse midwives. Failure to submit required information may result in civil monetary penalties.
- *The Federal Food, Drug and Cosmetic Act*—A set of laws, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices.
- *Analogous State and Foreign Laws*—There are state and foreign law equivalents of the above federal laws, such as the Anti-Kickback Statute and the False Claims Act, which may apply to items or services reimbursed by any third-party payor, including commercial insurers (i.e., so-called “all-payor anti-kickback laws”), as well as state and foreign laws that govern the privacy and security of health information or personally identifiable information in certain circumstances, including state health information privacy and data breach notification laws which govern the collection, use, disclosure, and protection of health-related and other personal information, many of which differ from each other in significant ways and, with respect to state laws, are often not pre-empted by HIPAA, thus requiring additional compliance efforts.
- *State and Foreign Laws Regulating Pharmaceutical Manufacturer Compliance Programs, Drug Price Transparency, and Other Practices*—Some state and foreign laws require pharmaceutical companies to implement compliance programs, comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government, or to track and

report gifts, compensation, or other remuneration to physicians and other healthcare providers. Several U.S. states and localities have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports, and/or make periodic public disclosures on sales, marketing, pricing, clinical trials, and other activities. Other state laws prohibit certain marketing-related activities including the provision of gifts, meals or other items to certain healthcare providers, and restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs. In addition, several recently passed state laws require disclosures related to state agencies and/or commercial purchasers with respect to certain price increases that exceed a certain level as identified in the relevant statutes. Some of these laws and regulations contain ambiguous requirements that government officials have not yet clarified. Given the lack of clarity in the laws and their implementation, our reporting actions could be subject to the penalty provisions of the pertinent federal and state laws and regulations.

We expect that one or more of our products, if approved, may be eligible for coverage under Medicare, the federal health care program that provides health care benefits to the aged and disabled, including coverage for outpatient services and supplies, such as certain drug products, that are medically necessary to treat a beneficiary's health condition. In addition, one or more of our products, if approved, may be covered and reimbursed under other federal health care programs, such as Medicaid and the 340B Drug Pricing Program. The Medicaid Drug Rebate Program requires pharmaceutical manufacturers to enter into and have in effect a national rebate agreement with the Secretary of the Department of Health and Human Services and pay quarterly rebates based on utilization of a manufacturer's covered outpatient drugs under the program as a condition for states to receive federal matching funds for a manufacturer's covered outpatient drugs furnished to Medicaid patients and in order for payment to be available for a manufacturer's drugs under Medicare Part B. Pharmaceutical manufacturers are also required to participate in the 340B Drug Pricing Program in order for payment to be available for a manufacturer's drugs under Medicaid and Medicare Part B. Under the 340B Drug Pricing Program, a manufacturer must charge no more than the 340B "ceiling price" for its covered outpatient drugs purchased by statutorily defined covered entities that participate in the program.

In addition, federal law requires that, in order for payment to be available for a manufacturer's drugs under Medicaid and Medicare Part B, as well as to be purchased by certain federal agencies and grantees, it must also participate in the Department of Veterans Affairs ("VA") Federal Supply Schedule ("FSS") pricing program. To participate, manufacturers are required to enter into an FSS contract and other agreements with the VA for their covered drugs. Under these agreements, manufacturers must make their covered drugs available to the "Big Four" federal agencies—the VA, the Department of Defense ("DoD"), the Public Health Service (including the Indian Health Service), and the Coast Guard—at pricing that is capped pursuant to a statutory federal ceiling price, or FCP, formula. The FCP is based on a weighted average non-federal average manufacturer price, which manufacturers are required to report on a quarterly and annual basis to the VA. Further, pursuant to regulations issued by the DoD to implement Section 703 of the National Defense Authorization Act for Fiscal Year 2008, manufacturers may enter into an agreement with the Defense Health Agency (DHA) under which they agree to honor "Big Four" pricing for their covered drugs when they are dispensed to TRICARE beneficiaries by TRICARE retail network pharmacies.

As part of the requirements to participate in these government programs, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average manufacturer price, best price, average sales price, and non-federal average manufacturer price. The calculations can be complex and are often subject to interpretation by manufacturers, governmental or regulatory agencies and the courts. Governmental agencies may also make changes in program interpretations, requirements, or conditions of participation, some of which may have implications for amounts previously estimated or paid. Any failure to comply with these price reporting and rebate payment obligations, when applicable, could negatively impact our financial results. Civil monetary penalties can be applied if a manufacturer is found to have knowingly submitted any false price information to the government, if a manufacturer is found to have made a misrepresentation in the reporting of its average sales price, or if a manufacturer fails to submit the required price data on a timely basis. Such conduct also could be grounds for CMS to terminate a manufacturer's Medicaid drug rebate agreement, in which case federal payments may not be available under Medicaid or Medicare Part B for a manufacturer's covered outpatient drugs and may provide a basis for other potential liability under other federal laws such as the False Claims Act.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations, guidance, case law or other applicable law. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, individual imprisonment, exclusion from participation in federal health care programs, such as Medicare and Medicaid, disgorgement, reputational harm, additional oversight and reporting obligations pursuant to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with applicable laws and regulations, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to market our products, if approved, and adversely impact our financial results. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws and regulations, these risks cannot be eliminated entirely. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, it may be costly to us in terms of money, time and resources, and they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

### ***U.S. healthcare reform***

In the United States and some foreign jurisdictions, there have been and continue to be a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability, or the ability of our future collaborators, to effectively sell any drugs for which we, or they, obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and additional downward pressure on the price that we, or our future collaborators, may receive for any approved drugs. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, "PPACA") has substantially changed and continues to impact healthcare financing and delivery by both government payors and private insurers. Among the PPACA provisions of importance to the pharmaceutical industry, in addition to those otherwise described above, are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain federal programs identified in the PPACA;
- expansion of beneficiary eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 138% of the federal poverty level, thereby potentially increasing manufacturers' Medicaid rebate liability;
- expansion of manufacturers' rebate liability under the Medicaid Drug Rebate Program by increasing the minimum rebate for both branded and generic drugs and revising the definition of "average manufacturer price" for calculating and reporting Medicaid drug rebates on outpatient prescription drug prices;
- extension of manufacturers' Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations;
- a separate methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expansion of the types of entities eligible for the 340B drug discount program;
- establishment of the Medicare Part D coverage gap discount program that, as a condition for the manufacturers outpatient drugs to be covered under Medicare Part D, requires manufacturers to provide a

now 70% point-of-sale-discount off the negotiated price of applicable brand drugs to eligible beneficiaries during their coverage gap period;

- establishment of the Center for Medicare and Medicaid Innovation within the Centers for Medicare and Medicaid Services to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending;
- creation of the Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research;
- reporting of certain financial arrangements between manufacturers of drugs, biologics, devices, and medical supplies and physicians and teaching hospitals under the Physician Payments Sunshine Act; and
- annual reporting of certain information regarding drug samples that manufacturers and distributors provide to licensed practitioners.

The framework of the PPACA continues to evolve as a result of executive, legislative, regulatory, and administrative developments that have challenged the law and contribute to legal uncertainty that could affect the profitability of our products. While Congress has not enacted legislation to comprehensively repeal the PPACA, legislation affecting the PPACA has been signed into law, including the elimination, effective January 1, 2019, of the tax-based shared responsibility payment imposed by the PPACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year, which is commonly referred to as the “individual mandate.” In December 2018, a federal district court in Texas ruled that the PPACA’s individual mandate, without the penalty that was eliminated effective January 1, 2019, was unconstitutional and could not be severed from the PPACA. As a result, the court ruled the remaining provisions of the PPACA were also invalid. The Fifth Circuit Court of Appeals affirmed the district court’s ruling that the individual mandate was unconstitutional, but it remanded the case back to the district court for further analysis of whether the mandate could be severed from the PPACA (i.e., whether the entire PPACA was therefore also unconstitutional). On June 17, 2021, the U.S. Supreme Court dismissed this challenge without specifically ruling on the constitutionality of the PPACA.

Effective January 1, 2019, the Bipartisan Budget Act of 2018, among other things, further amended portions of the Social Security Act implemented as part of the PPACA to increase from 50% to 70% the point-of-sale discount that pharmaceutical manufacturers participating in the Coverage Gap Discount Program must provide to eligible Medicare Part D beneficiaries during the coverage gap phase of the Part D benefit, commonly referred to as the “donut hole,” and to reduce standard beneficiary cost sharing in the coverage gap from 30% to 25% in most Medicare Part D plans. In addition, the Further Consolidated Appropriations Act of 2020, signed into law December 20, 2019, fully repealed the PPACA’s “Cadillac Tax” on certain high-cost employer-sponsored insurance plans (for tax years beginning after December 31, 2019), the annual fee imposed on certain health insurance providers based on market share (for calendar year 2021), and the medical device excise tax on non-exempt medical devices (for sales after December 31, 2019). In the future, there may be additional challenges and/or amendments to the PPACA. It remains to be seen precisely what any new legislation will provide, when or if it will be enacted, and what impact it will have on the availability and cost of healthcare items and services, including drug products.

Most recently, on August 16, 2022 the Inflation Reduction Act of 2022, or IRA was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (beginning in 2025). The IRA permits the Secretary of the Department of Health and Human Services (HHS) to implement many of these provisions through guidance, as opposed to regulation, for the initial years. For that and other reasons, it is currently unclear how the IRA will be effectuated, and the impact of the IRA on the pharmaceutical industry cannot yet be fully determined.

In addition, other legislative changes have been proposed and adopted since the PPACA was enacted. For example, the Budget Control Act of 2011, among other things, resulted in reductions in payments to Medicare providers of 2% per

fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislation, will remain in effect through 2031, with the exception of a temporary suspension of the payment reduction from May 1, 2020 through March 31, 2022 due to the coronavirus pandemic. Sequestration will start again on April 1, 2022. From April 1, 2022 to June 30, 2022, payment for Medicare fee-for-service claims will be adjusted downwards by 1%; beginning on July 1, 2022, the payment will be adjusted downwards by 2%. In addition, on March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law, which eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer price, for single source and innovator multiple source drugs, beginning January 1, 2024. Further, the American Taxpayer Relief Act of 2012, among other things, reduced CMS payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover Medicare overpayments to providers from three to five years. These legislative changes may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used.

Recently, the cost of prescription pharmaceuticals has been the subject of considerable discussion in the United States. Congress considered and passed legislation, and the former Trump administration pursued several regulatory reforms to further increase transparency around prices and price increases, lower out-of-pocket costs for consumers, and decrease spending on prescription drugs by government programs. Congress also continued to conduct inquiries into the prescription drug industry's pricing practices. While several proposed reform measures will require Congress to pass legislation to become effective, Congress and the Biden administration have each indicated that it will continue to seek new legislative and/or administrative measures to address prescription drug costs. The Biden administration has taken several recent executive actions that signal changes in policy from the prior administration. For example, on July 9, 2021, President Biden signed an executive order to promote competition in the US economy that included several initiatives addressing prescription drugs. Among other provisions, the executive order directed the Secretary of HHS to issue a report to the White House within 45 days that includes a plan to, among other things, reduce prices for prescription drugs, including prices paid by the federal government for such drugs. In response to the Executive Order, on September 9, 2021, HHS issued a Comprehensive Plan for Addressing High Drug Prices that identified potential legislative policies and administrative tools that Congress and the agency can pursue in order to make drug prices more affordable and equitable, improve and promote competition throughout the prescription drug industry, and foster scientific innovation. Additionally, on February 2, 2022, the Biden Administration signaled its continued commitment to the Cancer Moonshot initiative, which was initially launched in 2016. In its recent announcement, the administration noted that its new goals under the initiative include addressing inequities in order to ensure broader access to cutting-edge cancer therapeutics and investing in a robust pipeline for new treatments. At the state level, legislatures are increasingly passing legislation and states are implementing regulations designed to control spending on and patient out-of-pocket costs for drug products. Implementation of cost containment measures or other healthcare reforms that affect the pricing and/or availability of drug products may impact our ability to generate revenue, attain or maintain profitability, or commercialize products for which we may receive regulatory approval in the future.

We expect that these and other healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and/or new payment methodologies, and place additional downward pressure on the price that we receive for any approved product and/or the level of reimbursement physicians and other healthcare providers receive for administering any approved product we might bring to market. Reductions in reimbursement levels and imposition of more rigorous coverage criteria or new payment methodologies may negatively impact the prices we receive or the frequency with which our products are prescribed or administered. Any coverage or reimbursement policies instituted by Medicare or other federal health care programs may result in similar policies from private payors. The implementation of cost containment measures or other healthcare reforms may affect our ability to generate revenue, attain or maintain profitability, or commercialize our drug candidates. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our drug candidates or additional pricing pressures.

### **Human Capital Resources and Employees**

As of December 31, 2022, we had 9 full-time employees, of which 4 employees are directly engaged in research and development with the rest providing administrative, business and operations support. We also utilize outside consultants



and independent contractors to supplement our full-time workforce. None of our employees are represented by a labor union or covered by collective bargaining agreements. We consider the relationship with our employees to be good.

Our human capital resource objectives include, identifying, recruiting, retaining, incentivizing, and integrating our existing and new employees. The principal purpose of our equity incentive plan is to attract, retain and motivate employees and directors through the granting of stock-based compensation awards. Our future performance depends significantly upon the continued service of our key scientific, technical and senior management personnel and our continued ability to attract and retain highly skilled employees. We provide our employees with competitive salaries and bonuses, opportunities for equity ownership, development programs that enable continued learning and growth and a robust employment package that promotes well-being across all aspects of their lives. In addition to salaries, these programs include potential annual discretionary bonuses, stock awards, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, family leave, and flexible work schedules, among other benefits.

### **Environmental Regulations**

We believe we are compliant in all material respects with applicable environmental laws. Presently, we do not anticipate such compliance will have a material effect on capital expenditures, earnings, or our competitive position with respect to any of our operations.

### **Corporate Information**

We were incorporated in Delaware in May 2019. Our corporate headquarters are located at 3805 Old Easton Road, Doylestown, Pennsylvania 18902, and our telephone number is (617) 463-9385.

### **Available Information**

Our corporate website address is [www.aprea.com](http://www.aprea.com). Information contained on or accessible through our website are not part of this Annual Report on Form 10-K, and inclusion of our website address in this annual report is an inactive textual reference only. We make our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports available free of charge on our website as soon as reasonably practicable after we file such reports with, or furnish such reports to, the Securities and Exchange Commission, or SEC.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”). We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least \$1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeded \$700 million as of the prior March 31<sup>st</sup>, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

We are also a “smaller reporting company,” as such term is defined in Rule 12b-2 of the Exchange Act, meaning that the market value of our common stock held by non-affiliates is less than \$700 million and our annual revenue is less than \$100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our common stock held by non-affiliates is less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than \$700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

## **Item 1A. Risk Factors**

*Our business is subject to substantial risks and uncertainties. Investing in our common stock involves a high degree of risk. You should carefully consider the risk factors below together with the information contained elsewhere in this Annual Report on Form 10-K, including Part II, Item 8 “Financial Statements and Supplementary Data” and Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in our other public filings in evaluating our business. Any of the risks and uncertainties described below and in our other filings with the SEC, either alone or taken together, could materially and adversely affect our business, financial condition, results of operations, prospects for growth, and the value of an investment in our common stock. In addition, these risks and uncertainties could cause actual results to differ materially from those expressed or implied by forward looking statements contained in this Form 10-K (please read the Cautionary Note Regarding Forward-Looking Statements in this Form 10-K).*

### **Risk Factor Summary**

An investment in our securities is subject to various risks, these risks include, among others, the brief bulleted list of our principal risk factors set forth below that make an investment in our company speculative or risky.

#### **Risks related to our financial position and the need for additional capital**

- We have incurred significant losses in each year since inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.
- Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability. We have never generated revenues and may never be profitable.
- We will need substantial additional funding, which may not be available to us on acceptable terms or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce and/or eliminate our research and drug development programs or future commercialization efforts.
- Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations.

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

- We are substantially dependent on the success of our lead product candidate, ATRN-119, which is currently in clinical development. Our clinical trials of ATRN-119 may not be successful. If we are unable to obtain approval for and commercialize ATRN-119 or experience significant delays in doing so, our business will be materially harmed.
- We have not tested ATRN-119 and ATRN-1051 in clinical trials. The results of preclinical studies and early-stage clinical trials may not be predictive of future results in later studies or trials. Initial success in clinical trials may not be indicative of results obtained when these trials are completed or in later-stage clinical trials.
- We may not be able to file INDs or IND amendments to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed.
- We have limited experience as a company conducting clinical trials and may be unable to complete clinical trials for any product candidates we may develop.
- We may find it difficult to enroll patients in our clinical trials. If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary marketing approvals could be delayed or prevented.



- If serious adverse or unacceptable side effects are identified during the development of our product candidates or we observe limited efficacy of our product candidates, we may need to abandon or limit the development of one or more of our product candidates.
- The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, interim results of a clinical trial do not necessarily predict final results, and the results of our clinical trials may not satisfy the requirements of the FDA or comparable foreign regulatory authorities.
- We may expend our limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.
- If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market our product candidates, we may not be successful in commercializing our product candidates if and when they are approved.

**Risks related to our dependence on third parties**

- We rely on third parties to conduct our clinical trials and some aspects of our research and preclinical studies, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research and studies.

**Risks related to our intellectual property**

- If we are unable to obtain and maintain intellectual property protection for our product candidates or for our technology, our competitors could develop and commercialize products or technology similar or identical to ours, and our ability to successfully commercialize any product candidates we may develop, and our technology may be adversely affected.
- Issued patents covering our product candidates and other technologies could be narrowed or found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad.
- We may be subject to other claims challenging the inventorship of our patents and other intellectual property.

**Risks related to regulatory and marketing approval and other legal compliance matters**

- We have never obtained marketing approval for a product candidate and we may be unable to obtain, or may be delayed in obtaining, marketing approval for any of our product candidates.
- Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us, or any future collaborators, from obtaining approvals for the commercialization of some or all of our product candidates. As a result, we cannot predict when or if, and in which territories, we, or any future collaborators, will obtain marketing approval to commercialize a product candidate.
- Failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad. Any approval we are granted for our product candidates in the United States would not assure approval of our product candidates in foreign jurisdictions.
- The FDA's and other comparable regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates, which would impact our ability to generate revenue.
- Recently enacted and future legislation, and any change in existing government regulations and policies, may increase the difficulty and cost for us and our future collaborators to obtain marketing approval of and commercialize our product candidates and affect the prices we, or they, may obtain.

### **Risks related to our common stock**

- Our executive officers, directors and principal stockholders may have substantial influence over matters submitted to stockholders for approval.
- Our certificate of incorporation designates the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against the company and our directors, officers and employees.
- We are required to meet the Nasdaq continued listing requirements and other Nasdaq rules, and if we fail to meet such rules and requirements, we may be subject to delisting.

The summary risk factors described above should be read together with the text of the full risk factors below in this section entitled “*Risk Factors*” and the other information set forth in this Annual Report on Form 10-K. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not precisely known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations and future growth prospects.

### **Risks related to our financial position and need for additional capital**

***We have incurred significant losses in each year since inception. We expect to incur losses for the foreseeable future and may never achieve or maintain profitability.***

Since our inception, we have incurred significant losses on an aggregate basis. Our net loss was \$112.7 million, \$37.1 million and \$53.5 million for the years ended December 31, 2022, 2021 and 2020, respectively. Our accumulated deficit was \$293.8 million as of December 31, 2022. We have not generated any revenue to date from sales of any drugs and have financed our operations principally through private placements of our preferred stock and the net proceeds received from the initial public offering (IPO) of our common stock. We have devoted substantially all of our efforts to research and development. We expect that our lead product candidate, ATRN-119, which we acquired in connection with the acquisition of Atrin Pharmaceuticals, Inc. is currently in clinical development. We expect that it will be several years, if ever, before we have any product candidates ready for commercialization. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter.

To become and remain profitable, we must develop, obtain approval for and eventually commercialize a drug or drugs with significant market potential, either on our own or with a collaborator. This will require us to be successful in a range of challenging activities, including completing preclinical studies and clinical trials of our product candidates, obtaining marketing approval for these product candidates, manufacturing, marketing and selling those drugs for which we may obtain marketing approval and establishing and managing any collaborations for the development, marketing and/or commercialization of our product candidates. We may never succeed in these activities and, even if we do, may never generate revenues that are significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business and/or continue our operations. A decline in the value of our company could also cause our stockholders to lose all or part of their investment.

Even if we succeed in commercializing one or more of our product candidates, we will continue to incur substantial research and development and other expenditures to develop and market additional product candidates. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our stockholders’ equity and working capital.

Our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if at all. If we are unable to obtain product approvals or generate significant commercial revenues, our business will be materially harmed.

***Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability. We have never generated revenues and may never be profitable.***

We are an early-stage company. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, developing our product candidates, identifying potential product candidates, conducting preclinical studies of our product candidates and conducting clinical trials of our product candidates. Our lead product candidate, ATRN-119 is in clinical development, and our other product candidates are in preclinical development. We have not yet demonstrated our ability to successfully complete large-scale, pivotal clinical trials, obtain marketing approvals, manufacture commercial-scale drug products, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful drug commercialization. Typically, it takes about six to ten years to develop a new drug from the time it is in Phase 1 clinical trials to when it is approved for treating patients, but in many cases it may take longer. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as a business with a limited operating history, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We may need to transition from a company with a research focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

As we continue to build our business, we expect our financial condition and operating results may fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any particular quarterly or annual periods as indications of future operating performance.

***We will need substantial additional funding, which may not be available to us on acceptable terms or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce and/or eliminate our research and drug development programs or future commercialization efforts.***

Developing drug products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. We expect our expenses to increase in connection with our ongoing activities, particularly as we conduct clinical trials of, and seek marketing approval for our product candidates. In addition, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to drug sales, marketing, manufacturing and distribution to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of any collaborator that we may have at such time for any such product candidate. Furthermore, since the completion of our IPO, we have incurred and expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. The recent uncertainty and volatility in financial markets which in turn may make raising additional funds even more difficult or impossible for us. If we are unable to raise capital when needed or on attractive terms, we may be forced to delay, reduce and/or eliminate our research and drug development programs or future commercialization efforts.

We believe that our existing cash and cash equivalents as of December 31, 2022 combined with the net proceeds received from the Company's public offering of common stock in February 2023 will enable us to fund our operating expenses and capital expenditure requirements into the third quarter of 2024. Our estimate as to how long we expect our existing cash and cash equivalents to be able to continue to fund our operations is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. Further, changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we

currently anticipate, and we may need to seek additional funds sooner than planned. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of our current and future clinical trials of ATRN-119 and our other product candidates for our current targeted indications;
- the scope, progress, results and costs of drug discovery, preclinical research and clinical trials for ATRN-119 and our other product candidates;
- the number of future product candidates that we pursue and their development requirements;
- the costs, timing and outcome of regulatory review of our product candidates;
- the extent to which we acquire or invest in businesses, products and technologies, including entering into or maintaining licensing or collaboration arrangements for product candidates on favorable terms, although we currently have no commitments or agreements to complete any such transactions;
- the costs and timing of future commercialization activities, including drug sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval, to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of any collaborator that we may have at such time;
- the amount of revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;
- the costs of preparing, filing and prosecuting patent applications, maintaining, defending and enforcing our intellectual property rights and defending intellectual property-related claims;
- our headcount growth and associated costs as we expand our business operations and our research and development activities; and
- the costs of operating as a public company.

***Raising additional capital may cause dilution to our stockholders and restrict our operations or require us to relinquish rights to our product candidates.***

We expect our expenses to increase in connection with our planned operations. Until such time, if ever, as we can generate substantial revenues from the sale of drugs, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaborations, strategic alliances and/or licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ownership interests in our securities may be diluted, and the terms of these securities could include liquidation or other preferences and anti-dilution protections that could adversely affect the rights of our common stockholders. In addition, debt financing, if available, would result in fixed payment obligations and may involve agreements that include restrictive covenants that limit our ability to take specific actions, such as incurring additional debt, making capital expenditures, creating liens, redeeming stock or declaring dividends, that could adversely impact our ability to conduct our business. In addition, securing financing could require a substantial amount of time and attention from our management and may divert a disproportionate amount of their attention away from day-to-day activities, which may adversely affect our management's ability to oversee the development of our product candidates.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technology, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we may be required to

delay, reduce and/or eliminate our product candidate development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

***We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability, an ongoing military conflict between Russia and Ukraine, and record inflation. Our business, financial condition and results of operations could be materially adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine, geopolitical tensions or record inflation.***

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the military conflict between Russia and Ukraine. On February 24, 2022, a full-scale military invasion of Ukraine by Russian troops was reported. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions, which has led to record inflation globally. We are continuing to monitor inflation, the situation in Ukraine and global capital markets and assessing the potential impacts on our business.

The global economy has been, and may continue to be, negatively impacted by Russia's invasion of Ukraine. As a result of Russia's invasion of Ukraine, the U.S., the European Union, the United Kingdom, and other G7 countries, among other countries, have imposed substantial financial and economic sanctions on certain industry sectors and parties in Russia. Broad restrictions on exports to Russia have also been imposed. These measures include: (i) comprehensive financial sanctions against major Russian banks; (ii) additional designations of Russian individuals with significant business interests and government connections; (iii) designations of individuals and entities involved in Russian military activities; and (iv) enhanced export controls and trade sanctions limiting Russia's ability to import various goods. Russian military actions and the resulting sanctions could continue to adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds. Further, there are current geopolitical tensions with China. Recently, the Biden administration has signed multiple executive orders regarding China. One particular executive order titled Advancing Biotechnology and Biomanufacturing Innovation for a Sustainable, Safe, and Secure American Bioeconomy signed on September 12, 2022 will likely impact the pharmaceutical industry to encourage U.S. domestic manufacturing of pharmaceutical products. Any additional executive orders or potential sanctions with China could materially impact our current manufacturing partners.

Although our business has not been materially impacted by the ongoing military conflict between Russian and Ukraine, geopolitical tensions, or record inflation to date, it is impossible to predict the extent to which our operations, or those of our suppliers and manufacturers, will be impacted in the short and long term, or the ways in which the conflict may impact our business. The extent and duration of the conflict in Ukraine, geopolitical tensions, record inflation, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described herein.

***Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations.***

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, or SVB, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation, or the FDIC, as receiver. Similarly, on March 12, 2023, Signature Bank and Silvergate Capital Corp. were each swept into receivership. Although a statement by the Department of the Treasury, the Federal Reserve and the FDIC stated that all depositors of SVB would have access to all of their money after only one business day of closure, including funds held in uninsured deposit accounts, borrowers under credit agreements, letters of credit and certain other financial instruments with SVB, Signature Bank or any other financial institution that is placed into

receivership by the FDIC may be unable to access undrawn amounts thereunder. If any of our counterparties to any such instruments were to be placed into receivership, we may be unable to access such funds. In addition, if any parties with whom we conduct business are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected. In this regard, counterparties to SVB credit agreements and arrangements, and third parties such as beneficiaries of letters of credit (among others), may experience direct impacts from the closure of SVB and uncertainty remains over liquidity concerns in the broader financial services industry. Similar impacts have occurred in the past, such as during the 2008-2010 financial crisis. We held all of our cash, cash equivalents, restricted cash and available for sale investments with SVB.

Inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates. Although the U.S. Department of Treasury, FDIC and Federal Reserve Board have announced a program to provide up to \$25 billion of loans to financial institutions secured by certain of such government securities held by financial institutions to mitigate the risk of potential losses on the sale of such instruments, widespread demands for customer withdrawals or other liquidity needs of financial institutions for immediately liquidity may exceed the capacity of such program. There is no guarantee that the U.S. Department of Treasury, FDIC and Federal Reserve Board will provide access to uninsured funds in the future in the event of the closure of other banks or financial institutions, or that they would do so in a timely fashion.

Although we assess our banking relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which we have financial or business relationships, but could also include factors involving financial markets or the financial services industry generally.

In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations, result in breaches of our financial and/or contractual obligations or result in violations of federal or state wage and hour laws. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our current and/or projected business operations and financial condition and results of operations.

In addition, any further deterioration in the macroeconomic economy or financial services industry could lead to losses or defaults by parties with whom we conduct business, which in turn, could have a material adverse effect on our current and/or projected business operations and results of operations and financial condition. For example, a party with whom we conduct business may fail to make payments when due, default under their agreements with us, become insolvent or declare bankruptcy. Any bankruptcy or insolvency, or the failure to make payments when due, of any counterparty of ours, or the loss of any significant relationships, could result in material losses to us and may material adverse impacts on our business.

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

***We are substantially dependent on the success of our lead product candidate, ATRN-119, which is in clinical development. Our clinical trials of ATRN-119 may not be successful. If we are unable to obtain approval for and commercialize ATRN-119 or experience significant delays in doing so, our business will be materially harmed.***

We have no products approved for sale. Our future success is substantially dependent on our ability to timely obtain marketing approval for, and then successfully commercialize, ATRN-119, our lead product candidate. We are investing a majority of our efforts and financial resources in the research and development of ATRN-119. Our business depends entirely on the successful development and commercialization of our product candidates. We currently have no drugs approved for sale and generate no revenues from sales of any products, and we may never be able to develop a marketable product.

Our product candidates will require additional clinical development, evaluation of clinical, preclinical and manufacturing activities, marketing approval in multiple jurisdictions, substantial investment and significant marketing efforts before we generate any revenues from product sales. We are not permitted to market or promote any of our product candidates before we receive marketing approval from the FDA and comparable foreign regulatory authorities, and we may never receive such marketing approvals.

The success of ATRN-119 will depend on several factors, including the following:

- successful initiation, successful patient enrollment and timely completion of clinical trials of ATRN-119;
- successful initiation and successful patient enrollment and completion of additional clinical trials, for ATRN-119 or our other product candidates;
- the impact of any outbreak or pandemic, such as COVID-19, on our operations, ability to conduct clinical trials and on the ability of our regulators to review and approve our product candidates;
- our ability to demonstrate ATRN-119's safety, tolerability and efficacy to the FDA or any comparable foreign regulatory authority for marketing approval;
- timely receipt of marketing approvals for ATRN-119;
- obtaining and maintaining patent protection, trade secret protection and regulatory exclusivity, both in the United States and internationally;
- successfully defending and enforcing our rights in our intellectual property portfolio;
- avoiding and successfully defending against any claims that we have infringed, misappropriated or otherwise violated any intellectual property of any third party;
- the performance of our future collaborators, if any;
- the extent of, and our ability to timely complete, any required post-marketing approval commitments imposed by FDA or other applicable regulatory authorities;
- successfully developing a companion diagnostic test on a timely and cost effective basis;
- establishment of supply arrangements with third-party raw materials and drug product suppliers and manufacturers who are able to manufacture clinical trial and commercial quantities of ATRN-119 drug substance and drug product and to develop, validate and maintain a commercially viable manufacturing process that is compliant with current



good manufacturing practices, or cGMP, at a scale sufficient to meet anticipated demand and over time enable us to reduce our cost of manufacturing;

- establishment of scaled production arrangements with third-party manufacturers to obtain finished products that are compliant with cGMP and appropriately packaged for sale;
- successful launch of commercial sales following any marketing approval;
- a continued acceptable safety profile following any marketing approval;
- commercial acceptance by patients, the medical community and third-party payors;
- the availability of coverage and adequate reimbursement and pricing by third-party payors and government authorities;
- the availability, perceived advantages, relative cost, relative safety and relative efficacy of alternative and competing treatments; and
- our ability to compete with other therapies.

We do not have complete control over many of these factors, including certain aspects of clinical development and the regulatory submission process, potential threats to our intellectual property rights and the manufacturing, marketing, distribution and sales efforts of any future collaborator. Accordingly, we cannot assure you that we will ever be able to generate revenue through the sale of our product candidates. If we are not successful in commercializing ATRN-119, or are significantly delayed in doing so, our business will be materially harmed.

***We have not tested ATRN-119 and ATRN-1051 in clinical trials. The results of preclinical studies and early-stage clinical trials may not be predictive of future results in later studies or trials. Initial success in clinical trials may not be indicative of results obtained when these trials are completed or in later-stage clinical trials.***

We have not tested ATRN-119 and ATRN-1051 in clinical trials. The results of preclinical studies, whether or not conducted by us, may not be predictive of the results of clinical trials, and the results of any early-stage clinical trials we commence in the future may not be predictive of the results of the later-stage clinical trials. For example, even if successful, the results of our Phase 1 clinical trials of our product candidates ATRN-119 and ATRN-1051 and other product candidates may not be predictive of the results of further clinical trials of these product candidates or any of our other product candidates. In addition, initial success in clinical trials may not be indicative of results obtained when such trials are completed on in later stage clinical trials. In particular, the small number of patients in our planned early clinical trials may make the results of these trials less predictive of the outcome of later clinical trials. Moreover, preclinical and clinical data often are susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless have failed to obtain marketing licensure of their product candidates. Our future clinical trials for ATRN-119 and ATRN-1051 may not ultimately be successful or support further clinical development. There is a high failure rate for product candidates proceeding through clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving encouraging results in earlier studies. Any such setbacks in our clinical development could materially harm our business, results of operations, financial condition and prospects.

***We may not be able to file INDs or IND amendments to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed.***

We have filed an IND for ATRN-119, but we may not be able to file INDs for our other product candidates on the timelines we expect. For example, we may experience manufacturing delays or other delays with IND-enabling studies. Moreover, we cannot be sure that submission of an IND will result in the FDA allowing further clinical trials to begin, or

that, once begun, issues will not arise that lead FDA, IRBs, or other authorities to suspend, terminate, or require changes to our clinical trials. Additionally, even if such regulatory and other authorities agree with the design and implementation of the clinical trials set forth in an IND, we cannot guarantee that such regulatory authorities will not change their requirements in the future. These considerations also apply to new clinical trials or changes to existing clinical trials we may submit as amendments to existing INDs or to a new IND. Any failure to file INDs on the timelines we expect or to obtain regulatory clearance or approvals for our trials may prevent us from completing our clinical trials or commercializing our products on a timely basis, if at all.

***We have limited experience as a company conducting clinical trials and may be unable to complete pivotal clinical trials for any product candidates we may develop.***

Our success is dependent upon our ability to initiate and successfully complete clinical trials and obtain regulatory approval for and commercialization of our product candidates. We have not demonstrated an ability to perform the functions necessary for the approval or successful commercialization of any product candidate. The successful commercialization of any product candidate may require us to perform a variety of functions, including:

- continuing to undertake preclinical development;
- obtaining approval to commence clinical trials;
- successfully planning and enrolling subjects in clinical trials;
- participating in regulatory approval processes;
- formulating and manufacturing products; and
- conducting sales and marketing activities

We have limited experience designing, conducting and enrolling subjects in clinical trials. While certain members of our management and staff have significant experience in conducting clinical trials, to date, we have not completed any clinical trials as a company. Our operations to date provide a limited basis to assess our ability to develop and commercialize our product candidates.

Because of this lack of experience, any future clinical trials we may conduct may not be completed on time, if at all. Large-scale trials require significant additional financial and management resources, monitoring and oversight, and reliance on third-party clinical investigators, consultants or contract research organizations, or CROs. Relying on third-party clinical investigators, CROs and manufacturers, which are all also subject to governmental oversight and regulations, may also cause us to encounter delays that are outside of our control. Failure to commence or complete, or delays in, clinical trials, could prevent us from or delay us in commercializing our product candidates.

***We may find it difficult to enroll patients in our clinical trials. If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary marketing approvals could be delayed or prevented.***

We may not be able to initiate or continue clinical trials for our product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or comparable foreign regulatory authorities. Patient enrollment is a significant factor in the timing of clinical trials and our ability to enroll eligible patients may be limited or may result in slower enrollment than we anticipate. Additionally, any ongoing impact of COVID-19 may negatively impact again our ability to locate and enroll patients.

Patient enrollment may be affected if our competitors have ongoing clinical trials for product candidates that are under development for the same indications as our product candidates, and patients who would otherwise be eligible for our clinical trials instead enroll in clinical trials of our competitors' product candidates. Patient enrollment may also be affected by other factors, including:

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- size and nature of the patient population;
- severity of the disease under investigation;
- availability and efficacy of approved drugs for the disease under investigation;
- patient eligibility criteria for the trial in question;
- patients' and clinicians' perceived risks and benefits of the product candidate under study;
- competing clinical trials;
- efforts to facilitate timely enrollment in clinical trials;
- physicians' attitudes and practices with respect to clinical trial enrollment;
- the ability to monitor patients adequately during and after treatment, including as a result of the impact of COVID-19 ;
- proximity and availability of clinical trial sites for prospective patients; and
- continued enrollment of prospective patients by clinical trial sites.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays or may require us to abandon one or more clinical trials altogether. Enrollment delays in our clinical trials may result in increased development costs for our product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

***Leveraging synthetic lethality in therapeutic targeting of DDR represents an emerging strategy to treat a broad spectrum of cancers, and negative perceptions of the efficacy, safety, or tolerability of this class of targets, including any that we develop, could adversely affect our ability to conduct our business, advance our product candidates or obtain regulatory approvals.***

Aside from PARP inhibitors, such as Lynparza, Rubraca, Zejula and Talzenna, no synthetic lethality small molecule inhibitor therapeutics have been approved to date by the FDA. Pamiparib, a PARP inhibitor developed by Beigene, was approved in 2021 in China. Adverse events in future clinical trials of our product candidates or in clinical trials of other similar products and the resulting publicity, as well as any other adverse events in the field of synthetic lethality and DDR, or any adverse events involving other products that are perceived to be similar to DDR, such as those related to gene therapy or gene editing, could result in a decrease in the perceived benefit of one or more of our programs, increased regulatory scrutiny, decreased confidence by healthcare professionals, patients and CROs in our product candidates, difficulties and delays in regulatory clearance or approval for, enrollment of patients in, and conduct of, our clinical trials, and less demand for any product that we may develop. Our pipeline of product candidates could result in a greater quantity of reportable adverse events or other reportable negative clinical outcomes, manufacturing reportable events or material clinical events that could lead to clinical delays or holds by the FDA or applicable regulatory authority or other clinical delays, any of which could negatively impact the perception of one or more of our product development programs, as well as our business as a whole.

In addition, responses by U.S. federal or foreign governments to adverse events or negative public perception may result in new legislation or regulations that could limit our ability to develop any product candidates or commercialize any approved products, obtain or maintain regulatory approval, or otherwise achieve profitability. More restrictive statutory regimes, government regulations, or negative public opinion would have an adverse effect on our business, financial condition, results of operations, and prospects, and may delay or impair the development of our product candidates and commercialization of any approved products or demand for any products we may develop.

***If serious adverse or unacceptable side effects are identified during the development of our product candidates or we observe limited efficacy of our product candidates, we may need to abandon or limit the development of one or more of our product candidates.***

Adverse events or unacceptable side effects caused by, or other unexpected properties of, our product candidates could cause us, any future collaborators, an institutional review board, or IRB, or regulatory authorities to interrupt, delay or halt clinical trials of one or more of our product candidates and could result in the (i) delay or denial of marketing approval by the FDA or comparable foreign regulatory authorities, (ii) approval with significant restrictions on distribution or use or (iii) required labeling information regarding safety concerns, if approved.

In general, our clinical trials of ATRN-119 will include cancer patients who are very sick and whose health is deteriorating. We expect that patients may experience adverse events, serious adverse events or may die during their participation in our future clinical trials for ATRN-119 or other product candidates. Because ATRN-119 has not yet been studied in clinical studies involving humans, we cannot predict with certainty what adverse events may occur in our clinical trials. Any adverse events, serious adverse events, or deaths occurring in our clinical trials, whether related to our product candidates or not, could affect perceptions relating to our product candidates. In addition, our clinical trials of eprenetapopt include cancer patients who are very sick and whose health is deteriorating, and we expect that additional clinical trials of eprenetapopt and our other product candidates will include similar patients with deteriorating health. Multiple patients in our trials have experienced adverse events. The most commonly reported adverse events include nausea, vomiting, constipation, dizziness, fatigue, and neutropenia. Some patients in our trials have experienced serious adverse events. The most common serious adverse events include febrile neutropenia, pneumonia, sepsis, and pyrexia.

In addition, if any of our product candidates are associated with adverse events or undesirable side effects or have properties that are unexpected, our trials could be suspended or terminated and the FDA or comparable foreign regulatory authorities could order us to cease further development of or deny approval of our product candidates for any or all targeted indications. We, or any future collaborators, may abandon development or limit development of that product candidate to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Drug-related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, results of operations, financial condition and prospects significantly.

***The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, interim results of a clinical trial do not necessarily predict final results, and the results of our clinical trials may not satisfy the requirements of the FDA or comparable foreign regulatory authorities.***

We currently have no drugs approved for sale and we cannot guarantee that we will ever have marketable drugs. Clinical failure can occur at any stage of clinical development. Clinical trials may produce negative or inconclusive results, and we or any future collaborators may decide, or regulators may require us, to conduct additional clinical trials or preclinical studies. We will be required to demonstrate with substantial evidence through adequate and well-controlled clinical trials that our product candidates are safe and effective for use in treating specific conditions in order to obtain marketing approvals for their commercial sale. Success in preclinical studies and early-stage clinical trials does not mean that future larger registration clinical trials will be successful because product candidates in later-stage clinical trials may fail to demonstrate safety and efficacy to the satisfaction of the FDA and non-U.S. regulatory authorities despite having progressed through preclinical studies and early-stage clinical trials. Product candidates that have shown promising results in preclinical studies and early-stage clinical trials may still suffer significant setbacks in subsequent registration clinical trials. Additionally, the outcome of preclinical studies and early-stage clinical trials may not be predictive of the success of later-stage clinical trials.

From time to time, we may publish or report interim or preliminary data from our clinical trials. Interim or preliminary data from clinical trials that we may conduct may not be indicative of the final results of the trial and 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. Interim or preliminary data also remain subject to audit and verification procedures that may

result in the final data being materially different from the interim or preliminary data. As a result, interim or preliminary data should be viewed with caution until the final data are available.

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. We have limited experience in designing clinical trials and may be unable to design and conduct a clinical trial to support marketing approval. Further, if our product candidates are found to be unsafe or lack efficacy, we will not be able to obtain marketing approval for them and our business would be harmed. A number of companies in the pharmaceutical industry, including those with greater resources and experience than us, have suffered significant setbacks in advanced clinical trials, even after obtaining promising results in preclinical studies and earlier clinical trials.

In some instances, there can be significant variability in safety and efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial protocols, differences in size and type of the patient populations, differences in and adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. We do not know whether any clinical trials we may conduct will demonstrate consistent or adequate efficacy and safety sufficient to obtain marketing approval to market our product candidates.

In addition, in the event that an adverse safety issue, clinical hold, or other adverse finding occurs in one of our clinical trials, that event could adversely affect any other clinical trials for the same product candidate. Moreover, there is a relatively limited safety data set for product candidates with the same mechanism of action as ATRN-119 or our other product candidates. An adverse safety issue or other adverse finding in a clinical trial conducted by a third party with a similar mechanism of action could adversely affect clinical trials involving ATRN-119 or our other product candidates.

Further, our product candidates may not be approved even if they achieve their primary endpoints in clinical trials, including registration trials. The FDA or comparable foreign regulatory authorities may disagree with our trial design and our interpretation of data from preclinical studies and clinical trials. In addition, any of these regulatory authorities may change requirements for the approval of a product candidate even after reviewing and providing comments or advice on a protocol for a pivotal clinical trial that has the potential to result in approval by the FDA or comparable foreign regulatory authorities. In addition, any of these regulatory authorities may also approve a product candidate for fewer or more limited indications than we request or may grant approval contingent on the performance of costly post-marketing clinical trials. In addition, the FDA or other comparable foreign regulatory authorities may not approve the labeling claims that we believe would be necessary or desirable for the successful commercialization of our product candidates.

Before obtaining marketing approvals for the commercial sale of any product candidate for a target indication, we must demonstrate with substantial evidence gathered in preclinical studies and adequate and well-controlled clinical trials, and, with respect to approval in the United States, to the satisfaction of the FDA and elsewhere to the satisfaction of other comparable foreign regulatory authorities, that the product candidate is safe and effective for use for that target indication. There is no assurance that the FDA or other comparable foreign regulatory authorities will consider our future clinical trials to be sufficient to serve as the basis for approval of one of our product candidates for any indication. The FDA and other comparable foreign regulatory authorities retain broad discretion in evaluating the results of our clinical trials and in determining whether the results demonstrate that a product candidate is safe and effective. If we are required to conduct additional clinical trials of a product candidate than we expect prior to its approval, we will need substantial additional funds and there is no assurance that the results of any such additional clinical trials will be sufficient for approval.

***Clinical drug development is a lengthy and expensive process, with an uncertain outcome. If clinical trials of our product candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs, experience delays in completing, or ultimately be unable to complete, the development of our product candidates or be unable to obtain marketing approval.***

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates. Clinical testing is expensive, difficult to design and implement, can take many years to complete and

is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical studies and early-stage clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results.

Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their drugs.

We do not know whether ongoing clinical trials will be completed on schedule or at all, or whether future clinical trials will begin on time, need to be redesigned, enroll patients on time or be completed on schedule, if at all. Clinical trials can be delayed for a variety of reasons, including delays related to:

- obtaining regulatory authorization to commence a trial;
- reaching agreement on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- obtaining institutional review board or ethics committee approval at each clinical trial site;
- recruiting suitable patients to participate in a trial;
- the impact of any outbreak or pandemic, such as COVID-19 on patient screening, patient enrollment, and follow-up;
- developing and validating any companion diagnostic to be used in the trial, to the extent we are required to do so;
- patients failing to comply with the clinical trial protocol or dropping out of a trial;
- clinical trial sites failing to comply with the clinical trial protocol or dropping out of a trial;
- addressing any conflicts with new or existing laws or regulations;
- the need to add new clinical trial sites;
- manufacturing sufficient quantities of product candidate for use in clinical trials and ensuring clinical trial material is provided to clinical sites in a timely manner; or
- obtaining advice from regulatory authorities regarding the statistical analysis plan to be used to evaluate the clinical trial data or other trial design issues.

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

- we may receive feedback from regulatory authorities that requires us to modify the design of our clinical trials;
- clinical trials of our product candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;

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- our third-party contractors, including our CROs, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we, our investigators, or any of the overseeing IRBs or ethics committees might decide to suspend or terminate clinical trials of our product candidates for various reasons, including non-compliance with regulatory requirements, a finding that our product candidates have undesirable side effects or other unexpected characteristics, or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate;
- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- regulators may revise the requirements for approving our product candidates, or such requirements may not be as we anticipate; and
- any future collaborators that conduct clinical trials may face any of the above issues and may conduct clinical trials in ways they view as advantageous to them but that are suboptimal for us.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not positive or are insufficiently positive to support marketing approval, or if there are safety concerns, we may:

- incur unplanned costs;
- be delayed in obtaining marketing approval for our product candidates or not obtain marketing approval at all;
- obtain marketing approval in some countries and not in others;
- obtain marketing approval for indications or patient populations that are narrower or more limited in scope than intended or desired;
- obtain marketing approval subject to significant use or distribution restrictions or with labeling that includes significant safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements; or
- have the drug removed from the market after obtaining marketing approval.

Our drug development costs will also increase if we experience delays in testing or marketing approvals. We do not know whether clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Furthermore, we rely on third-party CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials, and while we have agreements governing their committed activities, we have limited influence over their actual performance. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring drugs to market before we do and impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.



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

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial drugs or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable drugs. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other strategic arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate

***If we are required to in the future and if we are unable to successfully develop companion diagnostic tests for our product candidates that require such tests, or experience significant delays in doing so, we may not realize the full commercial potential of these product candidates.***

We may be required by the FDA to develop, either by ourselves or with collaborators, companion diagnostic tests for our product candidates for certain indications. To be successful, we or our collaborators will need to address a number of scientific, technical, regulatory and logistical challenges. We have no prior experience with medical device or diagnostic test development. If we choose to develop and seek FDA approval for companion diagnostic tests on our own, we will require additional personnel. We may rely on third parties for the design, development and manufacture of companion diagnostic tests for our therapeutic product candidates that require such tests. If these parties are unable to successfully develop companion diagnostics for these therapeutic product candidates, or experience delays in doing so, we may be unable to enroll enough patients for our current and planned clinical trials, the development of these therapeutic product candidates may be adversely affected, these therapeutic product candidates may not obtain marketing approval, and we may not realize the full commercial potential of any of these therapeutics that obtain marketing approval. Any failure to successfully develop this companion diagnostic may cause or contribute to delayed enrollment of this trial, and may prevent us from initiating or completing further clinical trials to support marketing approval for our product candidates. As a result, our business, results of operations and financial condition could be materially harmed.

***We may not be successful in our efforts to identify or discover additional potential product candidates.***

Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for a number of reasons, including:

- the research methodology used may not be successful in identifying potential product candidates;
- potential product candidates may, on further study, be shown to have harmful side effects or other characteristics that indicate that they are unlikely to be drugs that will receive marketing approval and/or achieve market acceptance; and
- potential product candidates may not be safe or effective in treating their targeted diseases.

Research programs to identify new product candidates require substantial technical, financial and human resources. If we are unable to identify suitable compounds for preclinical and clinical development, our business would be harmed.

***If any of our product candidates receives marketing approval and we, or others, later discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, our ability, or that of any future collaborators, to market the drug could be compromised.***

Clinical trials of our product candidates must be conducted in carefully defined subsets of patients who have agreed to enter into clinical trials. Consequently, it is possible that our clinical trials, or those of any future collaborator, may indicate an apparent positive effect of a product candidate that is greater than the actual positive effect, if any, or

alternatively fail to identify undesirable side effects. If one or more of our product candidates receives marketing approval and we, or others, discover that the drug is less effective than previously believed or causes undesirable side effects that were not previously identified, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the drug or seize the drug;
- we, or any future collaborators, may be required to recall the drug, change the way the drug is administered or conduct additional clinical trials;
- additional restrictions may be imposed on the marketing of, or the manufacturing processes for, the particular drug;
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- regulatory authorities may require the addition of labeling statements, such as a “black box” warning or a contraindication;
- we, or any future collaborators, may be required to create a Medication Guide outlining the risks of the previously unidentified side effects for distribution to patients;
- we, or any future collaborators, could be sued and held liable for harm caused to patients;
- the drug may become less competitive in the marketplace; and
- our reputation may suffer.

Any of these events could have a material and adverse effect on our operations and business and could adversely impact our stock price.

***Even if any of our product candidates receive marketing approval, they may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary for commercial success.***

If any of our product candidates receive marketing approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, healthcare payors and others in the medical community. For example, current cancer treatments like chemotherapy and radiation therapy are well-established in the medical community, and doctors may continue to rely on these treatments. If our product candidates do not achieve an adequate level of acceptance, we may not generate significant revenues from sales of drugs and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of the product;
- the potential advantages of the product compared to alternative therapies;
- the prevalence and severity of any side effects;
- whether the product is designated under physician and other provider treatment guidelines as a first-, second- or third-line therapy;
- our ability, or the ability of any future collaborators, to offer the product for sale at competitive prices;
- the product’s convenience and ease of administration for patients and healthcare practitioners compared to alternative treatments;
- the willingness of the target patient population to try, and of physicians to prescribe, the product;

- limitations or warnings, including distribution or use restrictions and safety information contained in the product's approved labeling;
- the strength of sales, marketing and distribution support;
- changes in the standard of care for the targeted indications for the product; and
- the availability of coverage by, and the amount of reimbursement from, government payors, managed care plans and other third-party payors.

***We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.***

The pharmaceutical and biotechnology industries generally, and the cancer drug sector specifically, are highly competitive and characterized by rapidly advancing technologies, evolving understanding of disease etiology and a strong emphasis on proprietary drugs. We face competition with respect to ATRN-119 and our other product candidates, and will face competition with respect to any product candidates that we may seek to discover and develop or commercialize in the future, from major pharmaceutical, specialty pharmaceutical and biotechnology companies. There are a number of major pharmaceutical, specialty pharmaceutical and biotechnology companies that currently market and sell drugs or are pursuing the development of drugs for the treatment of cancer. Potential competitors also include academic institutions and governmental agencies and public and private research institutions.

There are a large number of companies developing or marketing treatments for cancer, including the indications for which we may develop product candidates. Many of the companies that we compete or may compete against in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. Small 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 that may be necessary for, our programs.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we may develop. Our competitors also may obtain FDA or other comparable foreign regulatory approval for their drugs more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. The key competitive factors affecting the success of all of our product candidates, if approved, are likely to be their efficacy, safety, convenience, price, the effectiveness of companion diagnostics in guiding the use of related therapeutics, the level of generic competition and the availability of reimbursement from government and other third-party payors.

The most common methods of treating patients with cancer are surgery, radiation and drug therapy. There are a variety of available drug therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. Some of the currently-approved drug therapies are branded and subject to patent protection and may be established as the standard of care for treatment of indications for which we may choose to seek regulatory approvals. Many of these approved drugs are well-established therapies and are widely accepted by physicians, patients and third-party payors, and, even if our product candidates were to be approved, there can be no assurance that our product candidates would displace existing treatments. In addition to currently marketed therapies, there are also a number of drugs in late-stage clinical development to treat cancer, including the indications for which we are developing product candidates. These clinical-stage product candidates may provide efficacy, safety, convenience and other benefits that are not provided by currently-marketed therapies. As a result, they may provide significant competition for any of our product candidates for which we obtain regulatory approval.

We are developing ATRN-119, which is an orally bioavailable small molecule product candidate that targets Ataxia Telangiectasia and Rad3-related ("ATR") protein within the DNA damage response pathway. We are aware of other product candidates that are in clinical development for the treatment of various cancers through similar mechanisms of

action, including product candidates in clinical development being tested by Artios Pharma Ltd., AstraZeneca Plc, Bayer AG, IMPACT Therapeutics, Inc., and Repare Therapeutics, Inc., among others. If ATRN-119 were to be approved, it will compete with currently marketed drugs or drugs that may be approved for marketing by the FDA or comparable foreign regulatory authorities in the future and such competition will not be limited to drugs with similar mechanisms of action.

We are also developing ATRN-1051, which is an orally bioavailable small molecule inhibitor of WEE1, a key regulator of multiple phases of the cell cycle. We are aware of other product candidates that are in preclinical and clinical development for the treatment of various cancers through similar mechanisms of action, including product candidates developed by Debiopharm, IMPACT Therapeutics, Schrodinger and Zentalis Pharmaceuticals. If ATRN-1051 were to be approved, it will compete with currently marketed drugs or drugs that may be approved for marketing by the FDA or comparable foreign regulatory authorities in the future and such competition will not be limited to drugs with similar mechanisms of action.

***Our business and operations would suffer in the event of IT system failures, cybersecurity attacks, data breaches, or vulnerabilities in our or our third-party vendors' information security program or defenses.***

Our business relies upon information technology systems operated by us and by our third party service providers. These systems may fail or experience operational disruption, experience cybersecurity attacks, or be damaged by computer viruses and unauthorized access. In the ordinary course of business, we collect, store and transmit confidential information (including but not limited to intellectual property, proprietary business information and personal information). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We have developed, and continue to mature our policies and procedures to ensure the security and integrity of our information technology systems and confidential and proprietary information. If we do not continue to mature our cybersecurity defensive technological safeguards, policies and procedures or those safeguards, policies and procedures are insufficient to ensure the protection of our information technology systems and confidential and proprietary information, we may be vulnerable to security breaches or disruptions and system breakdowns or other damage or interruptions, and face legal and reputational risk. We also have outsourced elements of our operations to third parties, and as a result we manage a number of third-party vendors and other contractors and consultants who have access to or store our confidential information. While we endeavor to select providers with reasonable and industry standard information security programs, we are reliant on these third-party vendors' commitments regarding their information technology systems and cybersecurity programs. If our third-party vendors fail to protect their information technology systems and our confidential and proprietary information, we may be vulnerable to disruptions in service and unauthorized access to our confidential or proprietary information and we could incur liability and reputational damage and the further development and commercialization of our product candidates could be delayed. While we have not, to our knowledge, experienced any material IT system failures or cybersecurity attacks to date, we frequently must defend against and respond to cybersecurity incidents and attacks and cannot assure you that our data protection efforts and our investment in information technology will prevent significant breakdowns, data leakages, compromises of personal information or confidential commercial information, other operationally significant breaches in our systems or those of our third-party vendors and other contractors and consultants, or other cyber incidents that could have a material adverse effect upon our reputation, business, operations or financial condition. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs, business operations, a breach of sensitive personal information or a loss or corruption of critical data assets including trade secrets or other proprietary information. For example, the loss of clinical trial data from future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Such IT system failures, cybersecurity attacks or vulnerabilities to our or our third-party vendors' information security programs or defenses could result in legal liability, reputational damage, business interruption, and our competitive position could be harmed and the further development and commercialization of our products or any future products could be delayed or disrupted. Moreover, containing and remediating any IT system failure, cybersecurity attack or vulnerability may require significant investment of resources. Furthermore, significant security breaches or disruptions of our internal information technology systems or those of our third-party vendors and other contractors and consultants could result in the loss, misappropriation and/or unauthorized access, use, or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information and personal information), which could result in financial, legal, business and reputational harm to us.

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

We do not have a sales or marketing infrastructure and have no experience in the sale or marketing of pharmaceutical drugs. We are not currently a party to a strategic collaboration that provides us with access to a collaborator's resources in selling or marketing drugs. To achieve commercial success for any approved drug for which sales and marketing is not the responsibility of any strategic collaborator that we may have in the future, we must either develop a sales and marketing organization or outsource these functions to other third parties. In the future, we may choose to build a sales and marketing infrastructure to market or co-promote some of our product candidates if and when they are approved, or enter into collaborations with respect to the sale and marketing of our product candidates.

There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time-consuming and could delay any commercial launch of a product candidate. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our product candidates on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- limitations or restrictions on the ability of sales personnel to appropriately market the product to physicians or other healthcare professionals;
- the lack of complementary drugs to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines;
- unforeseen costs and expenses associated with creating an independent sales and marketing organization; and
- inability to obtain sufficient coverage and reimbursement from third-party payors and governmental agencies.

If we enter into arrangements with third parties to perform sales and marketing services, our revenues from the sale of drugs or the profitability of these revenues to us are likely to be lower than if we were to market and sell any drugs that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our product candidates or may be unable to do so on terms that are favorable to us. Third parties may also fail to devote the necessary resources and attention to sell and market our product candidates effectively and we may not have sufficient control or oversight over third parties to ensure they sell and market our product candidates in compliance with all applicable law. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

***If the FDA or comparable foreign regulatory authorities approve generic versions of any of our product candidates that receive marketing approval, or such authorities do not grant our product candidates appropriate periods of data or market exclusivity before approving generic versions of our product candidates, the sales of our product candidates could be adversely affected.***

Once an NDA is approved, the drug covered thereby becomes a "reference-listed drug" in the FDA's publication, "Approved Drug Products with Therapeutic Equivalence Evaluations." Manufacturers may seek marketing approval of generic versions of reference-listed drugs through submission of abbreviated new drug applications, or ANDAs, in the United States. In support of an ANDA, a generic manufacturer need not conduct clinical trials demonstrating safety and efficacy. Rather, the applicant generally must show that its drug is pharmaceutically equivalent to the reference listed

drug, in that it has the same active ingredient(s), dosage form, strength, route of administration and conditions of use or labeling as the reference-listed drug, and that the generic version is bioequivalent to the reference-listed drug, meaning it is absorbed in the body at the same rate and to the same extent. Generic drugs may be significantly less costly to bring to market than the reference-listed drug and companies that produce generic drugs are generally able to offer them at lower prices. Thus, following the introduction of a generic drug, a significant percentage of the sales of any branded product or reference-listed drug is typically lost to the generic drug.

The FDA may not approve an ANDA for a generic drug until any applicable period of non-patent exclusivity for the reference-listed drug has expired. The Federal Food, Drug, and Cosmetic Act, or FDCA, provides a period of five years of non-patent exclusivity for a new drug containing a new chemical entity, or NCE. During the exclusivity period, the FDA may not accept for review an ANDA or a 505(b)(2) NDA submitted by another company for another version of such product candidate where the applicant does not own or have a legal right of reference to all the data required for approval. However, an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) NDA or supplement to an approved NDA if new clinical investigations, other than bioavailability studies, that were conducted or sponsored by the applicant are deemed by the FDA to be essential to the approval of the application, for example, for new indications, dosages or strengths of an existing product candidate. This three-year exclusivity covers only the conditions associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for product candidates containing the original active agent for other conditions of use. Five-year and three-year exclusivity will not delay the submission or approval of a full NDA. However, an applicant submitting a full NDA would be required to conduct or obtain a right of reference to all of the nonclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness. Manufacturers may seek to launch these generic drugs following the expiration of the marketing exclusivity period, even if we still have patent protection for our drug competition that our product candidates may face from generic versions of our product candidates could materially and adversely impact our future revenue, profitability and cash flows and substantially limit our ability to obtain a return on the investments we have made in those product candidates. Our future revenues, profitability and cash flows could also be materially and adversely affected and our ability to obtain a return on the investments we have made in those product candidates may be substantially limited if our product candidates, if and when approved, are not afforded the appropriate periods of non-patent exclusivity.

***Even if we obtain regulatory approval of any product candidate, the approved product may be subject to post-approval studies and will remain subject to ongoing regulatory requirements. If we fail to comply, or if concerns are identified in subsequent studies, our approval could be withdrawn, and our product sales could be suspended.***

If we are successful at obtaining regulatory approval for ATRN-119 or any of our other product candidates, regulatory agencies in the United States and other countries where a product will be sold may require extensive additional clinical trials or post-approval clinical trials that are expensive and time-consuming to conduct. These trials may reveal side effects or other harmful effects in patients that use our products after they are on the market, which may result in the limitation or withdrawal of our drugs from the market. Alternatively, we may not be able to conduct such additional trials, which might force us to abandon our efforts to develop or commercialize certain product candidates. Even if post-approval studies are not requested or required, after our products are approved and on the market, there might be safety issues that emerge over time that require a change in product labeling, additional post-market studies or clinical trials, imposition of distribution and use restrictions under a Risk Evaluation and Mitigation Strategy, or REMS, or withdrawal of the product from the market, which would cause our revenue to decline.

Additionally, any products that we may successfully develop will be subject to ongoing regulatory requirements after they are approved. These requirements will govern the manufacturing, packaging, marketing, distribution, and use of our products. If we fail to comply with such regulatory requirements, approval for our products may be withdrawn, and product sales may be suspended. We may not be able to regain compliance, or we may only be able to regain compliance after a lengthy delay, significant expense, lost revenues and damage to our reputation.

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

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

Our ability to commercialize any products successfully also will depend in part on the extent to which reimbursement and coverage for these products and related treatments will be available from government authorities, private health insurers and other organizations, and if reimbursement and coverage is available, the level of reimbursement and coverage. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the healthcare industry in the United States 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. Increasingly, the third-party payors who reimburse patients or healthcare providers, such as government and private insurance plans, are requiring that drug companies provide them with predetermined discounts from list prices, and are seeking to reduce the prices charged or the amounts reimbursed for medical products. We cannot be sure that coverage and reimbursement will be available for any drug that we commercialize and, if coverage and reimbursement are available, we cannot be sure as to the level of reimbursement. Reimbursement may impact the demand for, or the price of, any product candidate for which we obtain marketing approval. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any product candidate for which we obtain marketing approval.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or comparable foreign regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be reimbursed 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, may be incorporated into existing payments for other items or services and may reflect budgetary constraints or imperfections in Medicare data. 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 rates. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for new products that we develop and for which we obtain marketing approval could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

***Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any drugs that we may develop. Our insurance policies may be inadequate and may potentially expose us to unrecoverable risk.***

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



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- decreased demand for any product candidates or drugs that we may develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any drugs that we may develop.

We currently hold clinical trial liability insurance coverage for up to \$5.0 million, but that coverage may not be adequate to cover any and all liabilities that we may incur. We would need to increase our insurance coverage when we begin the commercialization of our product candidates, if ever. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

***Governments outside of the United States tend to impose strict price controls, which may adversely affect our revenues from the sales of our products, if any.***

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

***An epidemic or pandemic disease outbreak, such as the COVID-19 pandemic, could disrupt our business operations as well as the business or operations of our single third-party manufacturer, our CROs, clinical data management organizations, medical institutions and clinical investigators, or other third parties with whom we conduct business which may have a material adverse effect on our business, results of operations, financial condition and prospects.***

An epidemic or pandemic disease outbreak, such as the COVID-19 pandemic, could severely disrupt our operations or the operations of third parties that we depend on, including our single third-party contract manufacturer, our CROs, clinical data management organizations, medical institutions and clinical investigators, and have a material adverse effect on our business, results of operations, financial condition and prospects. In addition, supply chain disruptions due to an epidemic or pandemic disease outbreak such as COVID-19 or otherwise could have a material adverse effect on the availability or cost of materials for the active pharmaceutical ingredients, or API for our product candidates. Quarantines, restrictions or bans in travel into and within the countries in which we operate, our manufacturer produces the API for our product candidates or where we conduct our clinical trials could impede, delay, limit or prevent the production or delivery or release of our product candidates to our trial sites, and trial investigators, patients or other critical staff could be restricted from traveling to our trial sites. In addition, some of our clinical sites could slow or cease

patient recruitment, patient treatment and/or access to patient data. For example, we had observed a temporary decrease in both patient screening and patient enrollment in 2020 as a result of the COVID-19 pandemic and such decreases may reoccur in the future. Additionally, we and our employees have taken steps to avoid or reduce infection, including limiting travel and implementing remote work arrangements. It is possible that remote work arrangements will not be as efficient as physical operations, and this could adversely affect our business, operations and internal controls. Any or all of these factors could impede, delay, limit or prevent completion of our ongoing clinical trials, or require changes to our ongoing clinical trials, and ultimately lead to the delay or denial of regulatory approval of our product candidates, which would materially adversely affect our business, results of operations, financial conditions and prospects.

While there is significant uncertainty relating to the potential effect of the coronavirus on our business and operations, infections may become more widespread and travel restrictions may worsen, including in the United States, Sweden and other countries where our trials are conducted or the API for our product candidates is manufactured, any of which could have a material adverse effect on our business, results of operations, financial conditions and prospects. Additionally, disruptions at the FDA, the EMA and other regulators, caused by global health concerns, including the COVID-19 pandemic, including delays in inspections of clinical trial or manufacturing sites required as part of the drug application review process, could result in delays of reviews and approvals of our product candidate or our proposed clinical trials. For example, in response to the COVID-19 pandemic, on March 10, 2020, the FDA announced its intention to postpone most inspections of foreign manufacturing facilities and products inspections of domestic manufacturing facilities through April 2020. On March 18, 2020, the FDA announced its intention to temporarily postpone routine surveillance inspections of domestic manufacturing facilities and provided guidance regarding the conduct of clinical trials. On July 10, 2020, the FDA announced that it is working toward the goal of restarting on-site inspections it deems to be “mission critical.” On August 19, 2020, the FDA published guidance clarifying how it intends to conduct inspections during the COVID-19 pandemic, including how it plans to determine which inspections are “mission critical.” In May 2021, the FDA updated its guidance, first published in August 2020, clarifying how it intends to conduct inspections during the COVID-19 pandemic, including how it plans to determine which inspections are “mission critical.” The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to resumption of all regulatory activities. If global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, or impact reviews or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

FDA has since adjusted its inspection activities in response to the ongoing COVID-19 pandemic. On December 29, 2021, the Agency implemented temporary changes to its inspectional activities to ensure the safety of its employees and regulated firms. On February 2, 2022, FDA announced that it would resume domestic surveillance inspections across all product areas on February 7, 2022. We cannot predict whether, and when, FDA will decide to pause or resume inspections due to the COVID-19 pandemic.

It is unclear how FDA’s policies and guidance will impact any inspections of our facilities, including our clinical trial sites. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic.

***The reactivation of p53 is a novel and unproven therapeutic approach and our development of eprenetapopt may never lead to a marketable product.***

We are developing eprenetapopt for its ability to reactivate the tumor suppressor protein p53, the protein product of the *TP53* gene and the most commonly mutated gene in cancer. We are also developing a next-generation p53 reactivator, APR-548, initially for potential use in multiple hematologic malignancy indications. We believe that mutant p53 is an attractive target for novel cancer therapy due to the high incidence of p53 mutations across a range of cancer types and the universally inferior prognosis for cancer patients with mutated p53. However, to our knowledge, no one has advanced a product candidate with this mechanism of action into clinical development. The scientific evidence to support the feasibility of developing these product candidates is both preliminary and limited. For instance, even though eprenetapopt has shown promising results in preclinical studies and early-stage clinical trials, we may not succeed in demonstrating safety and efficacy of eprenetapopt in larger-scale clinical trials. In December 2020, we announced that our pivotal Phase 3 trial failed to meet its predefined primary endpoint of complete remission (CR) rate. On August 4,

2021, the U.S. Food and Drug Administration (FDA) placed a partial clinical hold on the clinical trials of eprenetapopt in combination with azacitidine in our myeloid malignancy programs. On August 11, 2021, the FDA placed a clinical hold on our clinical trial evaluating eprenetapopt with acalabrutinib or with venetoclax and rituximab in lymphoid malignancies. In the first quarter of 2022, FDA notified us that it would continue the partial clinical hold on three ongoing clinical studies in our myeloid program. However, we received clearance from FDA to proceed under our existing IND with a new trial in R/R MDS and AML.

Given these results, FDA feedback and the costs of continuing the p53 reactivator development programs, we have shifted our primary focus of our activities to the assets acquired in Merger. Advancing eprenetapopt as a novel product to reactivate p53 creates significant challenges for us, including:

- obtaining marketing approval, as obtaining regulatory approval of a p53 reactivator from the FDA or comparable foreign regulatory authorities has never been done before;
- educating medical personnel regarding the potential efficacy and safety benefits, as well as the challenges, of incorporating our product candidates, if approved, into treatment regimens; and
- establishing the sale and marketing capabilities to gain market acceptance, if approved.

#### **Risks related to our dependence on third parties**

***We rely on third parties to conduct our clinical trials and some aspects of our research and preclinical studies, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research and studies.***

We currently rely on third parties, such as CROs, clinical data management organizations, medical institutions and clinical investigators, to conduct our clinical trials and expect to continue to rely upon third parties to conduct additional clinical trials. We currently rely and expect to continue to rely on third parties to conduct some aspects of our research and preclinical studies. Any of these third parties may terminate their engagements with us at any time. 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 will reduce our control over these activities but will not relieve us of our regulatory responsibilities. For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan, study protocols for the trial, statistical analysis plan and other study-specific documents (for example, monitoring and blinding plans). Moreover, the FDA requires us to comply with standards, commonly referred to as Good Clinical Practice, or GCP, International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use, or ICH, guidelines, and regulations regarding the informed consent process, safety reporting requirements, data collection guidelines, and other regulations for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. The EMA, also requires us to comply with similar standards. Regulatory authorities enforce these GCP requirements through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of our CROs fail to comply with applicable GCP requirements, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, EMA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP and other applicable regulations. In addition, our clinical trials must be conducted with product produced under current Good Manufacturing Practices, or cGMP, regulations. Our failure to comply with these regulations may require us to conduct new clinical trials, which would delay the marketing approval process. We also are required to register certain ongoing clinical trials and post the results of certain completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. 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 our product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates.

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 such third parties could delay clinical development or marketing approval of our product candidates or commercialization of our product candidates, producing additional losses and depriving us of potential revenue from sales of drugs.

***Although we currently plan to retain all commercial rights to our product candidates, we may enter into strategic collaborations for the development, marketing and commercialization of our product candidates. If those collaborations are not successful, the development, marketing and/or commercialization of our product candidates that are the subject of such collaborations would be harmed.***

As we further develop our product candidates, we may build a commercial infrastructure with the capability to directly market it to a variety of markets and geographies. Although we currently plan to retain all commercial rights to our product candidates, we may enter into strategic collaborations for the development, marketing and commercialization of our product candidates. Our likely collaborators for any collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. If we do enter into any such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development, marketing and/or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements. In addition, any future collaborators may have the right to abandon research or development projects and terminate applicable agreements, including funding obligations, prior to or upon the expiration of the agreed upon terms.

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

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development, marketing and/or commercialization of our product candidates or may elect not to continue or renew development, marketing or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, drugs that compete directly or indirectly with our product candidates or product candidates;
- a collaborator with marketing and distribution rights to one or more drugs may not commit sufficient resources to the marketing and distribution of such drug or drugs;
- disagreements with collaborators, including disagreements over proprietary rights, contract interpretation or the preferred course of development, might cause delays or termination of the research, development or

commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;

- collaborators may not properly obtain, maintain, defend and enforce our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation;
- collaborators may infringe, misappropriate or otherwise violate the intellectual property rights of third parties, which may expose us to litigation and potential liability;
- we may lose certain valuable rights under circumstances identified in any collaboration arrangement that we enter into, such as if we undergo a change of control;
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development, marketing and/or commercialization of the applicable product candidates;
- collaborators may learn about our discoveries, data, proprietary information, trade secrets, or compounds and use this knowledge to compete with us in the future; and
- the number and type of our collaborations could adversely affect our attractiveness to future collaborators or acquirers.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner, or at all.

***We are currently dependent on a single third party manufacturer for the manufacture of the active pharmaceutical ingredient for our product candidates. This reliance on a single third party increases the risk that we will not have sufficient quantities of our product candidates or drugs or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.***

We do not have any manufacturing facilities or personnel, and we currently have no plans to build our own clinical or commercial scale manufacturing capabilities. We currently contract with third parties for the manufacture of our product candidates for certain preclinical trials and clinical trial materials, including raw materials and consumables necessary for their manufacture, consistent with applicable cGMP requirements. We intend to continue to contract for these materials in the future, including commercial manufacture if our product candidates receive marketing approval.

The API and drug product for our product candidates is currently manufactured by a single contract manufacturer. Although we may do so in the future, we do not currently have arrangements in place for redundant supply of the API and drug product for our product candidates.

We expect to rely on third-party manufacturers or third-party collaborators for the manufacture of our product candidates for commercial supply of any of our product candidates for which we or any of our future collaborators obtain marketing approval. We may be unable to establish any agreements with third-party manufacturers or to do so on acceptable terms. Even if we are able to establish agreements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the possible failure of the third party to manufacture our product candidate according to our schedule, or at all, including if our third-party contractors give greater priority to the supply of other products over our product candidates or otherwise do not satisfactorily perform according to the terms of the agreements between us and them;
- the possible termination or nonrenewal of agreements by our third-party contractors at a time that is costly or inconvenient for us;

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- the possible breach by the third-party contractors of our agreements with them;
- the failure of third-party contractors to comply with applicable regulatory requirements;
- the possible failure of the third party to manufacture our product candidates according to our specifications;
- the impact of COVID-19 on the facilities of our manufacturers and their supply lines;
- the possible mislabeling of clinical supplies, potentially resulting in issues including the wrong dose amounts being supplied or active drug or placebo not being properly identified;
- the possibility of clinical supplies not being delivered to clinical sites on time, leading to clinical trial interruptions, or of drug supplies not being distributed to commercial vendors in a timely manner, resulting in lost sales; and
- the possible misappropriation of our proprietary information, including our trade secrets and know-how.

The facilities used by our contract manufacturers to manufacture our product candidates must be approved by the FDA or the EMA pursuant to inspections that will be conducted after we submit our NDA to the FDA or our MAA to the EMA. We do not have complete control over all aspects of the manufacturing process of, and are dependent on, our contract manufacturing partners for compliance with cGMP regulations for manufacturing both active drug substances and finished drug products. Third-party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside of the United States. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable foreign regulatory bodies, they will not be able to secure and/or maintain marketing approval for their manufacturing facilities. In addition, we do not have complete control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA, the EMA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain marketing approval for or market our product candidates, if approved.

Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or drugs, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our product candidates and harm our business and results of operations.

Any drugs that we may develop may compete with other product candidates and drugs for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that might be capable of manufacturing for us.

Any performance failure on the part of our existing or future manufacturers could delay clinical development or marketing approval.

We do not currently have arrangements in place for redundant supply of the API of our product candidates. If our current contract manufacturer cannot perform as agreed, we may be required to replace that manufacturer. Although we believe that there are several potential alternative manufacturers who could manufacture our product candidates, we may incur added costs and delays in identifying and qualifying any such replacement.

Our current and anticipated future dependence upon others for the manufacture of our product candidates or drugs may adversely affect our future profit margins and our ability to commercialize any drugs that receive marketing approval on a timely and competitive basis.

## Risks related to our intellectual property

***If we are unable to obtain and maintain intellectual property protection for our product candidates or for our technology, our competitors could develop and commercialize products or technology similar or identical to ours, and our ability to successfully commercialize any product candidates we may develop, and our technology may be adversely affected.***

Our commercial success will depend in large part on obtaining and maintaining patent, trademark and trade secret protection of our proprietary technologies and our product candidates, their respective components, formulations, methods used to manufacture them and methods of treatment, as well as successfully defending these patents against third-party challenges. We seek to protect our proprietary position by filing patent applications in the United States and abroad relating to our product candidates as well as other technologies that are important to our business. Our ability to stop unauthorized third parties from making, using, selling, offering to sell or importing our product candidates is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities.

The chemical structure of eprenetapopt is in the public domain. Accordingly, we do not own or license any composition of matter patents claiming the compound of eprenetapopt and will not in the future own or license any composition of matter patents claiming the chemical structure of eprenetapopt as described in the public domain. Our patent portfolio for eprenetapopt currently consists of method-of-use and formulation patent claims, and dosing, manufacturing processes, crystalline solid form, and combination therapy patent application claims. Our existing patents and any future patents we obtain may not be sufficiently broad to prevent others from using our technology or from developing competing products and technologies. Any failure to obtain or maintain patent protection with respect to eprenetapopt and our other product candidates could have a material adverse effect on our business, financial condition, results of operations and growth prospects. If it is later determined that our activities or product candidates infringe, misappropriate or otherwise violate the intellectual property of third parties we may be liable for damages, enhanced damages or subjected to an injunction, any of which could have a material adverse effect on our business.

The patenting process is 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. In addition, we may not pursue or obtain patent protection in all relevant markets. During the course of business, we have decided not to pursue certain products or processes and have not pursued certain corresponding intellectual property. However, we may decide to pursue such products or processes again in the future. 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.

The patent position of pharmaceutical and biotechnology companies generally is highly uncertain and involves complex legal and factual questions for which many legal principles remain unresolved. In recent years patent rights have been the subject of significant litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued in the United States or in other jurisdictions which protect our technology or products or which effectively prevent others from commercializing competitive technologies and products.

Our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our inventions and the prior art, including our own previously filed patent applications and scientific publications, allow our inventions to be patentable over the prior art. We are aware of certain scientific publications by our inventors and other third parties that disclose subject matter, including the composition of eprenetapopt, relating to certain of our patents, that may be used by third parties to challenge the validity and enforceability of our patents and patent applications. If such third parties are successful, we could lose valuable patent rights. In the United States, an inventor's own publication cannot be used as prior art to the inventor's patent application on the same subject matter when published less than one year before the effective filing date of the patent application. Such a publication may be considered prior art in certain jurisdictions that do not provide such a grace period. 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 were the first to make the inventions claimed in our patents or pending patent applications, or that we were the first to file for patent



protection of such inventions. In addition, the U.S. Patent and Trademark Office, or USPTO, might require that the term of a patent issuing from a pending patent application be disclaimed and limited to the term of another patent that is commonly owned or names a common inventor. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or 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, certain of these parties have and others may in the future breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection.

Moreover, the coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in the patent claims of our patents being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. In addition, some of our owned patents and patent applications may in the future be co-owned with third parties. If we do not have exclusive control of the grant of licenses under any such third-party co-owners' interest in such patents or patent applications or we are otherwise unable to secure such exclusive rights, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our co-owned patents in order to enforce such patents against third parties, and such cooperation may not be provided to us.

Given the amount of time required for the development, testing and regulatory review of new product candidates, which may be extended due to epidemic or pandemic disease outbreaks, such as COVID-19 or other public health situations, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours or otherwise provide us with a competitive advantage. Upon the expiration of our current patents, we may lose the right to exclude others from practicing these inventions based on patent exclusivity. The expiration of these patents could also have a similar material adverse effect on our business, results of operations, financial condition and prospects.

***Our proprietary position for eprenetapopt depends upon patents that consist of method-of-use and formulation patent claims, which may not prevent a competitor or other third party from using the same product candidate for another use or in another formulation.***

Composition-of-matter patent claims on the active pharmaceutical ingredient, or API, in pharmaceutical drug products are generally considered to be the favored form of intellectual property protection for drug products because such patents may provide protection without regard to any particular method of use or manufacture or formulation of the API used. The chemical structure of eprenetapopt is in the public domain. Accordingly, we do not own or license any composition of matter patents claiming the compound of eprenetapopt and will not in the future own or license any composition of matter patents claiming the chemical structure of eprenetapopt as described in the public domain.

Method-of-use patent claims protect the use of a product for the specified method and dosing or formulation patent claims cover dosing regimens or formulations of the API. These types of patent claims do not prevent a competitor or other third party from marketing an identical API for an indication that is outside the scope of the method claims or from developing a different dosing regimen or formulation that is outside the scope of the dosing or formulation claims. Moreover, with respect to method-of-use patents, even if competitors or other third parties do not actively promote their product for our targeted indications or uses for which we may obtain patents, physicians may recommend that patients use these products off-label, or patients may do so themselves. Although off-label use may infringe or contribute to the infringement of method-of-use patents, the practice is common and such infringement is difficult to prevent or prosecute.

In addition, there are numerous publications and other prior art that may be relevant to our patents and may be used to challenge the validity of such patents in litigation or other intellectual property-related proceedings. If such challenges are successful, our patents may be narrowed or found to be invalid and we may lose valuable intellectual property rights. Any of the foregoing could have a material adverse effect on our business, financial conditions and results of operations and prospects.

***Issued patents covering our product candidates and other technologies could be narrowed or found invalid or unenforceable if challenged in court or before administrative bodies in the United States or abroad.***

If we seek to enforce a patent covering our product candidates or other technologies against a third party, that third party could assert that such patent is invalid or unenforceable. In patent litigation in the United States, challenges to validity or enforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of patentable subject matter, lack of novelty, obviousness, inadequate written description, indefiniteness, or lack of enablement. Grounds for an unenforceability assertion could be an allegation that relevant information was withheld from or a misleading statement was made to the USPTO during prosecution.

In addition, third parties may raise claims challenging the validity or enforceability of our patents before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include preissuance submission of prior art to the USPTO and re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (*e.g.*, opposition proceedings). Moreover, we may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge our priority of invention or other features of patentability with respect to our patents and patent applications. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate or render unenforceable, our patent rights, allow third parties to commercialize our product candidates or other technologies and compete directly with us, without payment to us.

In the United States, an inventor's own publication may not be effective prior art to the inventor's patent application on the same subject matter when published less than one year before the effective filing date of the patent application. Such a publication might be considered prior art in certain jurisdictions that do not provide such a grace period. For those non-US jurisdictions, reliance on non-patent exclusivity may provide sufficient competitive protection to exclude others from commercializing generic versions of our products.

Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. If we are unsuccessful in any such proceeding or other priority or inventorship dispute, we may be required to obtain and maintain licenses from third parties, including parties involved in any such interference proceedings or other priority or inventorship disputes. Such licenses may not be available on commercially reasonable terms or at all, or may be non-exclusive. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture, and commercialization of one or more of the product candidates we may develop. The loss of exclusivity or the narrowing of our patent claims could limit our ability to stop others from using or commercializing similar or identical technology and products. Any of the foregoing could have a material adverse effect on our business, results of operations, financial condition and prospects.

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

We may also 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. For example, we may have inventorship disputes arise from conflicting obligations of employees, consultants or others who are involved in developing our product candidates or other technologies. Litigation may be necessary to defend against these and other claims challenging inventorship of our patents, trade secrets or other 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, intellectual property that is important to our product candidates and other technologies. 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. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

***If we do not obtain patent term extension or data exclusivity for any product candidates we may develop, our business may be materially harmed.***

Depending upon the timing, duration and specifics of any FDA marketing approval of any product candidates we may develop, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent term extension of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. Similar extensions as compensation for patent term lost during regulatory review processes are also available in certain foreign countries and territories, such as in Europe under a Supplementary Patent Certificate. However, we may not be granted an extension in the United States and/or foreign countries and territories because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is shorter than what we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations and growth prospects could be materially harmed.

***We may not be successful in obtaining, through acquisitions, in-licenses or otherwise, rights that may be necessary to our product candidates or other technologies.***

The growth of our business may depend in part on our future ability to acquire or in-license any relevant third-party proprietary rights that we may identify as necessary or important to our business operations. For example, our programs may involve additional product candidates that may require the use of additional proprietary rights held by third parties. Our product candidates may also require specific formulations to work effectively and efficiently. These formulations may be covered by intellectual property rights held by others. We may develop products containing our compounds and pre-existing pharmaceutical compounds. These pharmaceutical compounds may be covered by intellectual property rights held by others. We may be required by the FDA or comparable foreign regulatory authorities to provide a companion diagnostic test or tests with our product candidates. These diagnostic test or tests may be covered by intellectual property rights held by others. We may be unable to acquire or in-license such third-party intellectual property rights. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all, which would harm our business. We may need to cease use of the compositions or methods covered by such third-party intellectual property rights, and may need to seek to develop alternative approaches that do not infringe, misappropriate or otherwise violate intellectual property rights which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license to such intellectual property rights, any such license may be non-exclusive, which may allow our competitors access to the same technologies licensed to us.

Additionally, we sometimes collaborate with academic institutions and clinical research organizations to accelerate our research or development under written agreements with these institutions and organizations. In certain cases, these institutions and organizations may own or jointly own with us inventions that are created under such collaborations and provide us with an option to negotiate a license to any of the institution's rights in such inventions. Regardless of such option, we may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution or organization may offer the intellectual property rights to others, potentially blocking our ability to pursue our program and allowing third parties to compete with us.

The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-

party intellectual property rights that we may consider necessary or attractive in order to commercialize our product candidates. More established companies may have a competitive advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. There can be no assurance that we will be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding the additional product candidates that we may seek to acquire. If we are unable to successfully obtain rights to third-party intellectual property that may be necessary, we may have to abandon development of such program and our business, results of operations, financial condition and prospects could suffer.

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

Recent or future patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent regardless of whether another inventor had made the invention earlier. In March 2013, under the Leahy-Smith America Invents Act, or America Invents Act, the United States moved from a “first-to-invent” to a “first-to-file” system. Under a “first-to-file” system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to a patent on the invention regardless of whether another inventor had made the invention earlier. A third party that files a patent application in the USPTO after March 2013, but before us, could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by such third party. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we were the first to either (i) file any patent application related to our product candidates or other technologies or (ii) invent any of the inventions claimed in our patents or patent applications.

The America Invents Act includes a number of other significant changes to U.S. patent law, including provisions that affect the way patent applications are prosecuted, redefine prior art and establish a new post-grant review system. 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 partes* review, and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party in a district court action. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights, all of which could have a material adverse effect on our business and financial condition. Accordingly, the America Invents 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.

In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly uncertain. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Depending on future actions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our existing patent portfolio and our ability to protect and enforce our intellectual property in the future.

***We may become involved in lawsuits to protect or enforce our patents and other intellectual property rights, which could be expensive, time consuming and unsuccessful.***

Competitors may infringe our patents, or we may be required to defend against claims of infringement. In addition, our patents also may become involved in inventorship, priority, validity or unenforceability disputes. To counter or defend against such claims can be expensive and time consuming. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. For example, in an infringement proceeding, a court may decide that a patent owned by us is invalid or unenforceable. There is also the risk that, even if the validity of these patents is upheld, the court will refuse to stop the third party on the ground that such third party's activities do not infringe our owned patents, including finding that the other party's use of our patented technology falls under the safe harbor to patent infringement under 35 U.S.C. § 271(e)(1). Even if resolved in our favor, these lawsuits are expensive and would consume time and other resources, including distracting our personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, or distribution activities. 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 and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace. 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.

We may not be able to detect infringement against our patents which may be more difficult for formulation patents. Even if we detect infringement by a third party of our patents, we may choose not to pursue litigation against or settlement with the third party. If we later sue such third party for patent infringement, the third party may have certain legal defenses available to it, which otherwise would not be available except for the delay between when the infringement was first detected and when the suit was brought. Such legal defenses may make it impossible for us to enforce our patents against such third party.

If another party questions the patentability of any of our claims in our U.S. patents, the third party can request that the USPTO review the patent claims such as in an *inter partes* review, *ex parte* re-exam or post-grant review proceedings. These proceedings are expensive and may result in a loss of scope of some claims or a loss of the entire patent. In addition to potential USPTO review proceedings, we may become a party to patent opposition proceedings in the European Patent Office, or EPO, or similar proceedings in other foreign patent offices, where either our foreign patents are challenged. The costs of these opposition or similar proceedings could be substantial, and may result in a loss of scope of some claims or a loss of the entire patent. An unfavorable result at the USPTO, EPO or other patent office may result in the loss of our right to exclude others from practicing one or more of our inventions in the relevant country or jurisdiction, which could have a material adverse effect on our business.

***If we are sued for infringing, misappropriating or otherwise violating patents or other intellectual property rights of third parties, it will be costly and time consuming, and an unfavorable outcome in that litigation would have a material adverse effect on our business.***

Our commercial success depends upon our ability to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries. We may be exposed to, or threatened with, future litigation by third parties having patent or other intellectual property rights alleging that our product candidates and/or proprietary technologies infringe, misappropriate or otherwise violate their intellectual property rights. We cannot guarantee that our product candidates and other technologies that we have developed, are developing or may develop in the future will not infringe existing or future patents owned by third parties. U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields relating to our product candidates. As the

biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that others may assert our product candidates infringe the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties may allege they have patent rights encompassing our product candidates, technologies or methods. It is also possible that patents owned by third parties of which we are aware, but which we do not believe are relevant to our product candidates or other technologies, could be found to be infringed by our product candidates or other technologies. In addition, 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 many foreign jurisdictions are typically not published until 18 months after filing, and publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications covering our product candidates or technology. If any such patent applications issue as patents, and if such patents have priority over our patent applications or patents, we may be required to obtain rights to such patents owned by third parties which may not be available on commercially reasonable terms or at all, or may only be available on a non-exclusive basis.

If a third party claims that we infringe its intellectual property rights, we may face a number of issues even if we believe such claims are without merit, including, but not limited to:

- infringement and other intellectual property claims which, regardless of merit, may be expensive and time-consuming to litigate, may divert our management's attention from our core business and may impact our reputation;
- substantial damages for infringement, which we may have to pay if a court decides that the product candidate or technology at issue infringes on or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees;
- a court prohibiting us from developing, manufacturing, marketing or selling our product candidates, including eprenetapopt, or from using our proprietary technologies, unless the third party licenses its patent rights to us, which it is not required to do;
- if a license is available from a third party, we may have to pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights for our product candidates or such license is only available on a non-exclusive basis; and
- redesigning our product candidates or processes so they do not infringe, which may not be possible or may require substantial monetary expenditures and time.

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 or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or growth prospects.

We may choose to challenge the patentability of claims in a third party's U.S. patent by requesting that the USPTO review the patent claims in an *ex-parte* re-exam, *inter partes* review or post-grant review proceedings. These proceedings are expensive and may consume our time or other resources. We may choose to challenge a third party's patent in patent opposition proceedings in the EPO, or other foreign patent office. The costs of these opposition proceedings could be substantial, and may consume our time or other resources. If we fail to obtain a favorable result at the USPTO, EPO or other patent office then we may be exposed to litigation by a third party alleging that the patent may be infringed by our product candidates or proprietary technologies.



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

Filing, prosecuting and defending patents on all of our product candidates throughout the world would be prohibitively expensive, and the laws of some foreign countries may not protect our rights to the same extent as the laws of the United States. Competitors may use our technology in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection but where enforcement is not as strong as in the United States. These products may compete with our product candidates in jurisdictions where we do not have any issued patents and our patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing products against third parties in violation of our proprietary rights generally. The initiation of proceedings to enforce our intellectual property rights or proceedings by third parties to challenge the scope or validity of our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business and could put our patents at risk of being invalidated or interpreted narrowly.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations, and growth prospects may be adversely affected.

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

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent prosecution process and following the issuance of a patent. In some cases, an inadvertent failure to comply with such requirements can be cured by payment of a late fee or by other means in accordance with the applicable rules. There are situations, however, in which non-compliance could result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case if our patent were in force, which would have a material adverse effect on our business.

***We may be subject to claims that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.***

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. Although no claims against us are currently pending, we may be subject to claims that these employees, consultants or advisors or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their current or former employers. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and, if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. This type of litigation or proceeding could substantially increase our operating losses and reduce our resources available for development activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our



competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other intellectual property related proceedings could adversely affect our ability to compete in the marketplace.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and growth prospects.

***Confidentiality agreements with employees and third parties may not prevent unauthorized disclosure of trade secrets and other proprietary information.***

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our platform technology and discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents. However, trade secrets can be difficult to protect and we have limited control over the protection of trade secrets used by our collaborators and suppliers. Although we seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with parties who have access them, such as our employees, consultants, and outside scientific advisors, contractors and collaborators, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. Despite our efforts, any of these parties might breach the agreements and intentionally or inadvertently disclose our trade secret information and we may not be able to obtain adequate remedies for such breaches. In addition, competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. Moreover, our competitors or other third parties may independently develop equivalent knowledge, methods and know-how.

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 inside and outside the United States sometimes are less willing or unwilling to protect trade secrets. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful. If any of our trade secrets were determined to be lawfully obtained or independently developed by a competitor or other third party, we may not be able to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position, business, results of operations and prospects would be materially and adversely harmed.

***Intellectual property rights do not necessarily address all potential threats.***

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. For example:

- others may be able to make or use compounds that are similar to the pharmaceutical compounds used in our product candidates but that are not covered by the claims of our patents;
- the APIs in our current product candidates will eventually become commercially available in generic drug products, and no patent protection may be available with regard to formulation or method of use;
- we, or our future licensors or collaborators, might not have been the first to file patent applications for these inventions;

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- we, or our future licensors or collaborators, might not have been the first to make the inventions covered by our issued patents or pending patent applications;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- it is possible that our current or future pending or licensed patent applications will not result in issued patents;
- it is possible that public disclosures or publications, including disclosures or publications made by us, could be used in an attempt to invalidate our patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors or other third parties;
- our competitors or other third parties 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 products for sale in our major commercial markets;
- it is possible that others may circumvent our patents;
- it is possible that there are unpublished applications or patent applications maintained in secrecy that may later issue with claims covering our products or technology similar to ours;
- the laws of foreign countries may not protect our proprietary rights to the same extent as the laws of the United States;
- the claims of our issued patents or patent applications, if and when issued, may not cover our product candidates;
- our issued patents may not provide us with any competitive advantages, may be narrowed in scope, or be held invalid or unenforceable as a result of legal challenges by third parties;
- the inventors of our patents or patent applications may become involved with competitors, develop products or processes which design around our patents, or become hostile to us or the patents or patent applications on which they are named as inventors;
- we have engaged in scientific collaborations in the past and will continue to do so in the future. Such collaborators may develop adjacent or competing products to ours that are outside the scope of our patents;
- we may not develop additional proprietary technologies for which we can obtain patent protection;
- we may choose not to pursue patent protection in order to maintain certain trade secrets or know-how, and a third party may subsequently obtain a patent covering such intellectual property;
- it is possible that product candidates or diagnostic tests we develop may be covered by third parties' patents or other exclusive rights; or
- the patents of others may have an adverse effect on our business.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

## Risks related to regulatory and marketing approval and other legal compliance matters

***We have never obtained marketing approval for a product candidate and we may be unable to obtain, or may be delayed in obtaining, marketing approval for any of our product candidates.***

We have never obtained marketing approval for a product candidate. The time required to obtain approval by the FDA and comparable foreign regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, extraneous factors, including an epidemic or pandemic disease outbreak such as COVID-19, or other public health situations, could impact the timeline for FDA and comparable foreign regulatory authorities to review an application for one of our product candidates. It is possible that the FDA and comparable foreign regulatory authorities may refuse to accept for filing and substantive review any new drug applications, or NDAs, marketing authorization applications, or MAA, that we submit for our product candidates or may conclude after review of our data that our application is insufficient to obtain marketing approval of our product candidates. If the FDA, or comparable foreign regulatory authorities do not accept or approve our NDAs or MAAs for our product candidates, it may require that we conduct additional clinical, nonclinical or manufacturing validation studies and submit that data before it will reconsider our applications. Depending on the extent of these or any other regulatory authority-required studies, approval of any NDA, MAA or other application that we submit may be delayed by several years, or may require us to expend more resources than we have available. It is also possible that additional studies, if performed and completed, may not be considered sufficient by the FDA or comparable foreign regulatory authorities to approve our NDAs or our MAAs.

Any delay in obtaining, or an inability to obtain, marketing approvals would prevent us from commercializing our product candidates, generating revenues and achieving and sustaining profitability. If any of these outcomes occur, we may be forced to abandon our development efforts for our product candidates, which could significantly harm our business.

***Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us, or any future collaborators, from obtaining approvals for the commercialization of some or all of our product candidates. As a result, we cannot predict when or if, and in which territories, we, or any future collaborators, will obtain marketing approval to commercialize a product candidate.***

The research, testing, manufacturing, labeling, approval, selling, marketing, promotion and distribution of drugs are subject to extensive regulation by the FDA and comparable foreign regulatory authorities, whose laws and regulations may differ from country to country. We, and any future collaborators, are not permitted to market our product candidates in the United States or in other countries until we or they receive approval of an NDA from the FDA or marketing approval from comparable foreign regulatory authorities. Our product candidates are in early stages of development and are subject to the risks of failure inherent in drug development. We have not submitted an application for or received marketing approval for any of our product candidates in the United States or in any other jurisdiction. We have limited experience in conducting and managing the clinical trials necessary to obtain marketing approvals, including FDA approval of an NDA.

The process of obtaining marketing approvals, both in the United States and abroad, is a lengthy, expensive and uncertain process. It may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. The FDA or other comparable foreign regulatory authorities have substantial discretion and may determine that our product candidates are not safe and effective, only moderately effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining marketing approval or prevent or limit commercial use. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

Our product candidates could fail to receive marketing approval, or marketing approval for our product candidates could be limited or delayed, for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of an NDA or other submission and applications or to obtain marketing approval in the United States or elsewhere;
- the FDA or comparable foreign regulatory authorities may fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies;
- the FDA or comparable foreign regulatory authorities may fail to approve any companion diagnostics that may be required in connection with approval of our therapeutic product candidates
- the FDA or the applicable foreign regulatory agency may fail to approve the formulation, labeling and/or the specifications for our product candidate
- changes in marketing approval policies during the development period, changes in or the enactment or promulgation of additional statutes, regulations or guidance or changes in regulatory review for each submitted drug application; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of clinical trial results may result in our failing to obtain marketing approval to market ATRN-119, which would significantly harm our business, results of operations and prospects. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical studies, clinical trials or other studies and testing. In addition, varying interpretations of the data obtained from preclinical studies and clinical trials could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we, or any collaborators we may have in the future, ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved drug not commercially viable.

Any delay in obtaining or failure to obtain required approvals could materially adversely affect our ability or that of any collaborators we may have to generate revenue from the particular product candidate, which likely would result in significant harm to our financial position and adversely impact our stock price.

***Failure to obtain marketing approval in foreign jurisdictions would prevent our product candidates from being marketed abroad. Any approval we are granted for our product candidates in the United States would not assure approval of our product candidates in foreign jurisdictions.***

In order to market and sell our product candidates in the EU and many other jurisdictions, we, and any collaborators we may have in the future, must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The marketing approval process outside of the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside of the United States, it is required that the drug be approved for reimbursement before the drug can be approved for sale in that country. We, and any collaborators we may have in the future, may not obtain approvals from regulatory authorities outside of the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside of the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA.

The U.K. having left the EU, the TCA and the Northern Ireland Protocol is likely to continue to affect European and worldwide economic conditions and could contribute to greater instability in the global financial markets. These effects could have an adverse effect on our business, investments, and future operations in Europe. There is a risk that trade between U.K. and EU businesses will be materially adversely affected, particularly in relation to highly regulated products such as pharmaceuticals and products of animal-origin, due to the additional regulatory burdens being imposed on exporters/importers which may affect the availability of these products.

The consequences for the economies of the U.K. and the EU member states as a result of the U.K.'s withdrawal from the EU are still largely unknown and unpredictable. Given the lack of comparable precedent, it is unclear what the broader macro-economic and financial implications the U.K. having left the EU will have.

***We, or any future collaborators, may not be able to obtain or maintain orphan drug exclusivity for our product candidates and, even if we do, that exclusivity may not prevent the FDA or the European Commission from approving competing products.***

Regulatory authorities in some jurisdictions, including the United States and the EU, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a product as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a patient population of fewer than 200,000 individuals annually in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. Eprenetapopt has received orphan drug designation from the FDA for use in the treatment of high-risk myelodysplastic syndromes, or MDS, and orphan drug designation from the European Commission for MDS, AML, and ovarian cancer. We may seek orphan drug designations for eprenetapopt for other indications or for other of our product candidates. There can be no assurances that we will be able to obtain such designations.

In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. In addition, the company that obtains the first FDA approval for a designated orphan drug for a rare disease receives marketing exclusivity for use of that drug for the designated condition for a period of seven years. Once a product receives orphan drug exclusivity, a second product that is considered to be the same drug for the same indication generally may be approved during the exclusivity period only if the second product is shown to be "clinically superior" to the original orphan drug in that it is more effective, safer or otherwise makes a "major contribution to patient care" or the holder of exclusive approval cannot assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated.

The European Commission can grant orphan drug product designation to products for which the sponsor can establish that it is intended for the diagnosis, prevention, or treatment of (1) a life-threatening or chronically debilitating condition affecting not more than five in 10,000 people in the European Union, or (2) a life threatening, seriously debilitating or serious and chronic condition in the European Union and that without incentives it is unlikely that sales of the drug in the

European Union would generate a sufficient return to justify the necessary investment. In addition, it must be established that there is no other satisfactory method approved in the European Union of diagnosing, preventing or treating the condition, or if such a method exists, the proposed orphan drug will be of significant benefit to patients. Orphan drug designation is not a marketing authorization. It is a designation that provides a number of benefits, including fee reductions, regulatory assistance, and the possibility to apply for a centralized EU marketing authorization, as well as 10 years of market exclusivity following a marketing authorization. During this market exclusivity period, neither the EMA nor the European Commission nor the EU member states can accept an application or grant a marketing authorization for a 'similar medicinal product.' A 'similar medicinal product' is defined as a medicinal product containing a similar active substance or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. The market exclusivity period for the authorized therapeutic indication may be reduced to six years if, at the end of the fifth year, it is established that the orphan designation criteria are no longer met, including where it is shown that the product is sufficiently profitable not to justify maintenance of market exclusivity. In addition, a competing similar medicinal product may in limited circumstances be authorized prior to the expiration of the market exclusivity period, including if it is shown to be safer, more effective or otherwise clinically superior to our product. Our product can lose orphan designation, and the related benefits, prior to us obtaining a marketing authorization if it is demonstrated that the orphan designation criteria are no longer met.

Even if we, or any future collaborators, obtain orphan drug designation for a product candidate, we, or they, may not be able to obtain or maintain orphan drug exclusivity for that product candidate. We may not be the first to obtain marketing approval of any product candidate for which we have obtained orphan drug designation for the orphan-designated indication due to the uncertainties associated with developing drug products. If this happens, marketing approval for our product candidate may be delayed due to the first-approved product's orphan drug exclusivity, unless we demonstrate clinical superiority. We may not be able to demonstrate that our product is clinically superior to a first-approved product with orphan drug exclusivity, i.e., that it provides greater safety or efficacy or a major contribution to patient care. In addition, exclusive marketing rights in the United States may be limited if we seek approval for an indication broader than the orphan-designated indication or may be lost if the FDA later determines that the request for designation was materially defective or if we are unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if we, or any future collaborators, obtain orphan drug exclusivity for a product, that exclusivity may not effectively protect the product from competition because different drugs with different active moieties may be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug with the same active moiety for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care or the manufacturer of the product with orphan exclusivity is unable to maintain sufficient product quantity. Orphan drug designation neither shortens the development time or regulatory review time of a drug nor gives the drug any advantage in the regulatory review or approval process.

In the United States, Congress is also considering updates to the orphan drug provisions of the FDCA in response to a recent 11th Circuit decision. Any changes to the orphan drug provisions could change our opportunities for, or likelihood of success in obtaining, orphan drug exclusivity and could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

***Even if we, or any collaborators we may have in the future, obtain marketing approvals for our product candidates, the terms of approvals and ongoing regulation of our product candidates could require substantial expenditure of resources and may limit how we, or they, manufacture and market our product candidates, which could materially impair our ability to generate revenue.***

Once marketing approval has been granted, an approved drug and its manufacturer and marketer are subject to ongoing review and extensive regulation. These requirements include submissions of safety and other post-marketing information and reports, user fee requirements, registration and listing requirements, requirements relating to manufacturing, quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. We, and any collaborators we may have in the future, must also comply with requirements concerning advertising and promotion for any of our product candidates for which we or they obtain marketing approval. 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's approved labeling. Thus, we,

and any collaborators we may have in the future, may not be able to promote any drugs we develop for indications or uses for which they are not approved.

The FDA or comparable foreign regulatory authorities may also impose requirements for costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of a drug. For example, the approval may be subject to limitations on the indicated uses for which the drug may be marketed or to the conditions of approval, including the requirement to implement a REMS or comparable foreign equivalents, like the EU Risk Management Plan, or RMP, which could include requirements for a restricted distribution system. Manufacturers of approved drugs and those manufacturers' facilities are also required to comply with extensive FDA or comparable foreign regulatory authorities requirements, including ensuring that quality control and manufacturing procedures conform to cGMPs, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. We, our contract manufacturers, our future collaborators and their contract manufacturers could be subject to periodic unannounced inspections by the FDA or comparable foreign regulatory authorities to monitor and ensure compliance with cGMPs.

Accordingly, assuming we, or our future collaborators, receive marketing approval for one or more of our product candidates, we, and our future collaborators, and our and their contract manufacturers will continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production, product surveillance and quality control.

If we, and our future collaborators, are not able to comply with post-approval regulatory requirements, regulatory agencies or enforcement authorities may:

- issue warning letters;
- impose civil or criminal penalties;
- suspend regulatory approval;
- suspend any of our ongoing clinical trials;
- refuse to approve pending applications or supplements to approved applications submitted by us or our collaborators;
- impose restrictions on our operations, including closing our or our collaborators' manufacturing facilities; or
- seize or detain products or require a 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 product candidates, if approved. 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 regulatory requirements and policies may change, and additional government regulations may be enacted for which we may also be required to comply. 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 in other countries. If we or any future collaboration partner are not able to maintain regulatory compliance, we or such collaboration partner, as applicable, may face government enforcement action and our business will suffer. Moreover, our or our future collaborators' ability to market any future drugs could be limited, which could adversely affect our ability to achieve or sustain profitability. Further, the cost of compliance with post-approval regulations may have a negative effect on our operating results and financial condition.



***The FDA's and other comparable regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates, which would impact our ability to generate revenue.***

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

***Any of our product candidates for which we, or our future collaborators, obtain marketing approval in the future will be subject to substantial penalties if we, or they, fail to comply with regulatory requirements or if we, or they, experience unanticipated problems with our product candidates following approval.***

Any of our product candidates for which we, or our future collaborators, obtain marketing approval in the future, will be subject to continual review by the FDA or comparable foreign regulatory authorities.

For example, in the United States, the FDA and other agencies, including the Department of Justice, or the DOJ, closely regulate and monitor the post-approval marketing and promotion of drugs to ensure that they are manufactured, marketed, and distributed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use and if we, or our future collaborators, do not market any of our product candidates for which we, or they, receive marketing approval for only their approved indications, we, or they, may be subject to warnings or enforcement action for off-label marketing. Violation of the FDCA and other statutes, including the False Claims Act, relating to the promotion and advertising of prescription drugs may lead to investigations or allegations of violations of federal and state healthcare fraud and abuse laws and state consumer protection laws.

In addition, later discovery of previously unknown adverse events or other problems with our product candidates or their manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- litigation involving patients taking our drug;
- restrictions on such drugs, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a drug;
- restrictions on drug distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning letters or untitled letters;
- withdrawal of the drugs from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of drugs;

- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- damage to relationships with any potential collaborators;
- restrictions on coverage by third-party payors;
- unfavorable press coverage and damage to our reputation;
- refusal to permit the import or export of drugs;
- drug seizure; or
- injunctions or the imposition of civil or criminal penalties.

***Recently enacted and future legislation, and any change in existing government regulations and policies, may increase the difficulty and cost for us and our future collaborators to obtain marketing approval of and commercialize our product candidates and affect the prices we, or they, may obtain.***

In the United States and some foreign jurisdictions, there have been and continue to be a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability, or the ability of our future collaborators, to effectively sell any drugs for which we, or they, obtain marketing approval. We expect that current laws, as well as other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria and additional downward pressure on the price that we, or our future collaborators, may receive for any approved drugs.

In the United States, the Congress and recent presidential administrations have enacted or are considering a number of legislative and regulatory proposals to change the healthcare system in ways that could affect our ability to sell our products, if approved, and to do so effectively. Among policy makers and payors in the United States and elsewhere, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and expanding access.

In the United States, the pharmaceutical industry has been a particular focus of efforts to reform the healthcare system and has been significantly affected by major legislative initiatives, including the PPACA, which contains provisions that may potentially affect the profitability of our products, including, for example, increased rebates for products sold to Medicaid programs, extension of Medicaid rebates to Medicaid managed care plans, mandatory discounts for certain Medicare Part D beneficiaries and annual fees based on pharmaceutical companies' share of sales to federal health care programs, and expansion of the entities eligible for discounts under the 340B pricing program. The framework of the PPACA continues to evolve as a result of executive, legislative, regulatory and administrative developments that have challenged the law and contribute to legal uncertainty that could affect the profitability of our products. See Part I, Item 1, "Government Regulation – U.S. Healthcare Reform" for further information.

We expect that these and other healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and/or new payment methodologies, and place additional downward pressure on the price that we receive for any approved product and/or the level of reimbursement physicians receive for administering any approved product we might bring to market. Reductions in reimbursement levels and imposition of more rigorous coverage criteria or new payment methodologies may negatively impact the prices we receive or the frequency with which our products are prescribed or administered. Any coverage or reimbursement policies instituted by Medicare or other federal health care programs may result in similar policies from private payors. The implementation of cost containment measures or other healthcare reforms may affect our ability to generate revenue, attain or maintain profitability, or commercialize our product candidates. We expect that additional state and federal healthcare reform measures will be adopted in the future,

any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

The pricing of prescription pharmaceuticals is also subject to governmental control outside the United States. In countries outside of the United States, pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidates to that of other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our ability to generate revenues and become profitable could be impaired.

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

Regulatory proposals have been made to allow the importation of prescription drugs into the United States that are approved for marketing in Canada, and potentially other countries. If such proposal are implemented, and if any of our product candidates or other similar or equivalent drug products are approved in another ex-US jurisdiction, these regulatory proposals may impact the competition our product may face, if approved. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of our product candidates, if any, may be.

***We may seek a breakthrough therapy designation for ATRN-119 or one or more of our other product candidates, but we might not receive such designation, and even if we do, such designation may not lead to a faster development or regulatory review or approval process.***

We may seek a breakthrough therapy designation for ATRN-119 or one or more of our other product candidates. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs and biologics that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA may also be eligible for priority review if supported by clinical data at the time the NDA is submitted to the FDA, and parts of the NDA may be submitted and reviewed on a rolling basis.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe that one of our product candidates meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. Even if we receive breakthrough therapy designation, the receipt of such designation for a product candidate may not result in a faster development or regulatory review or approval process compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our product candidates qualify as breakthrough therapies, the FDA may later decide that the product candidates no longer meet the conditions for qualification or decide that the time period for FDA review or approval will not be shortened. For example, in June 2022, FDA published a draft guidance document outlining considerations for the Agency in rescinding Breakthrough Therapy designation for products that no longer meet the requirements for that designation.

***A fast track designation by the FDA for ATRN-119 or any of our other product candidates may not actually lead to a faster development or regulatory review or approval process.***

If a drug is intended, whether alone or in combination with one or more other drugs, for the treatment of a serious or life-threatening condition and nonclinical or clinical data demonstrate the potential to address unmet medical need for this

condition, a drug sponsor may apply for FDA fast track designation. We may not experience a faster development or regulatory review or approval process for any product candidates, if any, for which we obtain fast track designation compared to conventional FDA procedures. In addition, the FDA may withdraw fast track designation if it believes that the designation is no longer supported by data from our clinical development program. Fast track designation alone does not guarantee qualification for the FDA's priority review procedures.

***We may seek priority review designation for one or more of our product candidates, but we might not receive such designation, and even if we do, such designation may not lead to a faster development or regulatory review or approval process.***

If the FDA determines that a product candidate offers a treatment for a serious condition and, if approved, the product would provide a significant improvement in safety or effectiveness, the FDA may designate the product candidate for priority review. A priority review designation means that the goal for the FDA to review an application is six months from the 60-day filing date, rather than the standard review period of ten months. We may request priority review for our product candidates. The FDA has broad discretion with respect to whether or not to grant priority review status to a product candidate, so even if we believe a particular product candidate is eligible for such designation or status, the FDA may decide not to grant it. Moreover, a priority review designation does not necessarily mean a faster development or regulatory review or approval process or necessarily confer any advantage with respect to approval compared to conventional FDA procedures. Receiving priority review from the FDA does not guarantee approval within the six-month review cycle or at all.

***Our relationships with healthcare providers, physicians and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose us to penalties, including criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.***

Although we do not currently have any products on the market, we are subject to a variety of regulatory requirements, including healthcare statutory and regulatory requirements and enforcement by the U.S. federal and state governments and the foreign governments of the countries in which we conduct our business. Even though we are not in a position to make patient referrals and do not bill Medicare, Medicaid, or other government or commercial third-party payors, our relationships with healthcare providers, physicians and third-party payors will subject us to healthcare statutory and regulatory requirements and enforcement by the U.S. federal government and the states and foreign governments in which we conduct our business. Our future arrangements with healthcare providers, physicians and third-party payors and patients may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. See Part I, Item 1, "Government Regulation – Healthcare Law and Regulation" for more detail.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations, guidance, case law or other applicable law. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, individual imprisonment, exclusion from participation in federal healthcare programs, such as Medicare and Medicaid, disgorgement, reputational harm, additional oversight and reporting obligations pursuant to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with applicable laws and regulations, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to market our products, if approved, and adversely impact our financial results. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws and regulations, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found not to be in compliance with applicable laws, it may be costly to us in terms of money, time and resources, and they may be subject to criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs.

***Our employees and consultants may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which could cause significant liability for us and harm our reputation.***

We are exposed to the risk of our employees and consultants committing fraud or other misconduct, including intentional failures to comply with FDA regulations or similar regulations of comparable foreign regulatory authorities, provide accurate information to the FDA or comparable foreign regulatory authorities, comply with manufacturing standards we may establish, comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, 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, 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 be in compliance with such laws, standards or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and results of operations, including the imposition of significant fines or other sanctions.

***If we 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 our business.***

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. 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. We also could incur significant costs associated with civil or criminal fines and penalties.

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 maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of hazardous and flammable materials, including chemicals and biological materials.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or commercialization efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

***Laws and regulations governing any international operations we may have in the future may preclude us from developing, manufacturing and selling certain product candidates outside of the United States and require us to develop and implement costly compliance programs.***

If we expand our operations outside of the United States, we must comply with numerous laws and regulations in each jurisdiction in which we plan to operate, such as the applicable anti-bribery, anti-corruption, anti-money laundering regulations. The creation and implementation of international business practices compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required.

The Foreign Corrupt Practices Act, or FCPA, prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United

States to comply with certain accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations. The anti-bribery provisions of the FCPA are enforced primarily by the DOJ. The Securities and Exchange Commission, or SEC, is involved with enforcement of the books and records provisions of the FCPA.

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Violation of the FCPA can result in significant civil and criminal penalties. Indictment alone under the FCPA can lead to suspension of the right to do business with the U.S. government until the pending claims are resolved. Conviction of a violation of the FCPA can result in long-term disqualification as a government contractor. The termination of a government contract or relationship as a result of our failure to satisfy any of our obligations under laws governing international business practices would have a negative impact on our operations and harm our reputation and ability to procure government contracts. The SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

We are also subject to other laws and regulations governing our international operations, including applicable import and export control regulations, economic sanctions on countries and persons administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury), anti-money laundering laws, customs requirements and currency exchange regulations, collectively referred to as the trade control laws. We can provide no assurance that we will be completely effective in ensuring our compliance with all applicable legal requirements, including trade control laws. If we are not in compliance with applicable trade control laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, results of operations, financial condition and prospects. Likewise, any investigation of any potential violations of these trade control laws by U.S. or other authorities could also have an adverse impact on our reputation, our business, results of operations, financial condition and prospects.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the United States, it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain drugs and product candidates outside of the United States, which could limit our growth potential and increase our development costs. The failure to comply with laws governing international business practices may result in substantial penalties, including suspension or debarment from government contracting.

***Security breaches, loss of data and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.***

In the ordinary course of our business, we collect and store sensitive data, including personally identifiable information, intellectual property and proprietary business information owned or controlled by ourselves and other parties. We manage and maintain our applications and data utilizing a combination of on-site systems, managed data centers and cloud-based data centers. We utilize external security and infrastructure vendors to manage our information technology systems and data centers. These applications and data encompass a wide variety of business-critical information, including research and development information, commercial information, and business and financial information. We face a number of risks relative to protecting this critical information, including loss of access or disruptions to our IT systems, inappropriate use or disclosure of protected information, inappropriate modification, and the risk of our being unable to adequately monitor, audit and modify our controls over our critical information. This risk extends to the third-party vendors and subcontractors we use to manage this sensitive data.



The secure processing, storage, maintenance and transmission of this critical information are vital to our operations and business strategy. Although we take measures to protect sensitive data from unauthorized access, use or disclosure, including the development of policies and procedures to protect our information technology systems and confidential and proprietary information, there is no guarantee we can protect our data from data security incidents, and our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee or vendor error, malfeasance or other malicious or inadvertent disruptions from internal or external threats. Any such breach or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, manipulated, publicly disclosed, lost or stolen. Any such access, breach or other loss of information could result in legal claims or proceedings, and liability under federal or state laws that protect the privacy of personal information, such as the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Health Information Technology for Economic and Clinical Health Act, or HITECH, and regulatory penalties. Notice of breaches must be made to affected individuals, the Secretary of the Department of Health and Human Services, and notice may need to be made to the media or other data protection regulators. Such incidents, and the publicity they may generate, could harm our reputation and our ability to compete. Unauthorized access, loss or dissemination could also damage our reputation or disrupt our operations, including our ability to conduct our analyses, process claims and appeals, conduct research and development activities, collect, process and prepare company financial information, provide information about our tests and other patient and physician education and outreach efforts through our website, and manage the administrative aspects of our business.

Penalties for violations of these laws vary. For instance, penalties for failure to comply with a requirement of HIPAA and HITECH vary significantly and include civil monetary penalties of up to (as recently adjusted for inflation) \$55,910 per violation, not to exceed approximately \$1.68 million per calendar year for each provision of HIPAA that is violated and, in certain circumstances, criminal penalties with fines up to \$250,000 per violation and/or imprisonment. However, a single breach incident can result in multiple violations, which can lead to significant financial penalties. In addition, numerous breach incidents could lead to possible penalties in excess of \$1.68 million. A person who knowingly obtains or discloses individually identifiable health information in violation of HIPAA may face a criminal penalty of up to \$50,000 and up to one-year imprisonment. The criminal penalties increase if the wrongful conduct involves false pretenses or the intent to sell, transfer or use identifiable health information for commercial advantage, personal gain or malicious harm.

Further, various states, such as California and Massachusetts, have implemented similar privacy laws and regulations, such as the California Confidentiality of Medical Information Act, that impose restrictive requirements regulating the use and disclosure of health information and other personally identifiable information. These laws and regulations are not necessarily preempted by HIPAA, particularly if a state affords greater protection to individuals than HIPAA. Where state laws are more protective, we have to comply with the stricter provisions. In addition to fines and penalties imposed upon violators, some of these state laws also afford private rights of action to individuals who believe their personal information has been misused. California's patient privacy laws, for example, provide for penalties of up to \$250,000 and permit injured parties to sue for damages. The interplay of federal and state laws may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and data we receive, use and share, potentially exposing us to additional expense, adverse publicity and liability.

Further, as regulatory focus on privacy issues continues to increase and laws and regulations concerning the protection of personal information expand and become more complex, these potential risks to our business could intensify. Moreover, privacy and cybersecurity laws and regulations are evolving, and may continue to add additional compliance costs and legal risks. For example, the California legislature passed the California Consumer Protection Act (CCPA), which came into effect January 1, 2020. The CCPA requires companies doing business in California to disclose information regarding the collection, use and sharing of a consumer's personal data, and comply with certain qualified privacy rights requests, including rights to request deletion of or to stop the sale of their personal information. While the CCPA includes certain exemptions for data protected by HIPAA or in certain research contexts, the law covers a wide range of data we may process in other contexts. The CCPA also permits the imposition of civil penalties and expands existing state security laws by providing a private right of action for consumers in certain circumstances where consumer data is subject to a breach. Interpretations of the CCPA may continue to evolve with regulatory guidance and enforcement actions from the California Attorney General. The California Privacy Rights Act (CPRA), which expands the CCPA, passed in November 2020. The CPRA will, among other things, impose additional data protection obligations



on companies doing business in California, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It has also created a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. That rulemaking process is ongoing. Following the CPRA, Virginia, Colorado, Utah and Connecticut have enacted similar, but not completely consistent, comprehensive privacy legislation that will also go into effect in January and July 2023, respectively. Many other states are considering similar legislation in addition to the consideration of comprehensive privacy legislation at the federal level. If passed, such laws will require additional resources to ensure compliance, and may have potentially conflicting requirements that would make compliance challenging.

Compliance with U.S. and international data protection laws and regulations could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business. Moreover, complying with these various laws 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. We have policies and procedures in place, and have conducted an independent third-party audit, to support our compliance with all applicable data protection laws and regulations, and are continually improving our data protection program to address compliance risks and evolving requirements. Nevertheless, our efforts to comply with data protection laws and evaluate as well as oversee our third party vendors' compliance with data protection laws and our contractual requirements may be insufficient to mitigate all data protection risks or compliance obligations, which could result in regulatory scrutiny, legal liability, reputational risk or operational disruption. Failure by us or by our third-party vendors to comply with U.S. and international data protection laws and regulations could result in 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. Claims that we or our third-party vendors have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we or our third-party vendor, as applicable, are not found liable, could be expensive and time consuming to defend and could result in adverse publicity that could harm our business.

***Any clinical trial programs we conduct or research collaborations we enter into in the European Economic Area (“EEA”)/UK may subject us to the EU General Data Protection Regulation 2016/679 (the “EU GDPR”) as implemented by countries within the EEA. In addition, where we conduct programs and collaborations in the UK we may be subject to the UK Data Protection Act 2018 and the UK General Data Protection Regulation, (together the “UK GDPR”).***

We are subject to the EU GDPR, which applies extra-territorially and implements stringent operational requirements on controllers (e.g., sponsors) and processors (e.g., CROs, laboratories) of personal data. For controllers this includes, for example, high standards for obtaining valid consent from individuals to process their personal data (where consent is the legal ground relied upon), the requirements to provide detailed disclosures to individuals, short timelines for personal data breach notifications to data protection authorities and data subjects, limitations on retention of personal data, additional considerations where processing health data and other “special categories of personal data” and specific obligations where third-party processors are engaged. The EU GDPR also prohibits the international transfer of personal data from the EEA to countries outside of the EEA unless made to a country deemed to have “adequate” data privacy laws by the European Commission or a data transfer mechanism has been put in place. Until recently, one such data transfer mechanism was the EU-US Privacy Shield. However, in July 2020 the Court of Justice of the European Union (“CJEU”) declared the Privacy Shield to be invalid for purposes of international transfers. The CJEU also imposed further restrictions on use of standard contractual clauses (SCCs) (i.e., an EU-style data transfer agreement) including, a requirement for companies to carry out a transfer privacy impact assessment, which among other things, assesses laws governing access to personal data in the recipient country and considers whether supplementary measures that provide privacy protections additional to those provided under SCCs will need to be implemented to ensure an essentially equivalent level of data protection to that afforded in the EEA. Moreover, new versions of the SCCs (new EU SCCs) have recently been published requiring additional compliance and implementation efforts. In turn, the findings of the CJEU will have significant implications for cross-border data flows.

Further, the EU GDPR provides that EU Member States may establish their own laws and regulations further restricting the processing of genetic data, biometric data, health data and other personal data, which could limit our ability to use

and share such personal data or could cause our costs to increase. The EU GDPR imposes onerous accountability obligations requiring controllers and processors to maintain a record of their data processing activities and policies and procedures to demonstrate compliance with the EU GDPR. The EU GDPR also grants certain privacy rights to individuals (e.g., the right to access or erase their personal data). While we have established some data protection policies and have a maturing compliance program, additional resources will be needed to fully comply with the EU GDPR, including for evolving regulatory guidance. If our or our vendors' or service providers' privacy or data security measures fail to comply with the EU GDPR requirements, we may be subject to litigation, regulatory investigations, enforcement notices requiring us to stop or change the way we use personal data and/or fines of up to 20 million Euros of the total worldwide annual turnover of the preceding financial year, whichever is higher, as well as compensation claims for financial or non-financial loss by affected individuals, negative publicity, reputational harm and a potential loss of business and goodwill. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices.

Relatedly, following the UK's withdrawal from the EU (i.e., Brexit), the EU GDPR has been implemented in the United Kingdom (as the UK GDPR). The UK GDPR site alongside the UK Data Protection Act 2018 which implements certain derogations in the EU GDPR into UK law. The requirements of the UK GDPR are (at this time) largely aligned with those under the EU GDPR and as such, may lead to similar compliance and operational costs with potential fines for non-compliance of up to £17.5 million or 4% of annual worldwide turnover. As a result, we are potentially exposed to two parallel data protection regimes, each of which authorizes fines and the potential for divergent enforcement actions. It should also be noted that reliance on the new EU SCCs for transfers from the UK requires additional documentation in the form of a UK Addendum.

### **Risks related to employee matters and managing growth**

***Our future success depends on our ability to retain our President and Chief Executive Officer, our Senior Vice President and Chief Financial Officer, our Senior Vice President and Chief Operating Officer, and other key executives and to attract, retain and motivate qualified personnel.***

We are highly dependent on Oren Gilad, Ph.D., our President and Chief Executive Officer, John P. Hamill, our Senior Vice President and Chief Financial Officer, Gregory A. Korbel, Ph.D., our Senior Vice President and Chief Operating Officer, as well as the other principal members of scientific team. Our agreements with Dr. Gilad, Mr. Hamill, and Dr. Korbel do not prevent them from terminating their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees. However, the loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

***We expect to expand our development and regulatory capabilities and potentially our sales and marketing capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.***

We expect to experience growth in the number of our employees and the scope of our operations, particularly in the areas of drug development, clinical operations, regulatory affairs and, potentially, sales and marketing. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional

qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

***We will need to expand our organization, and may experience difficulties in managing this growth, which could disrupt operations.***

Our future financial performance and our ability to commercialize our product candidates and compete effectively will depend, in part, on our ability to effectively manage any future growth. We expect to hire additional employees for our managerial, clinical, scientific and engineering, operational, manufacturing, sales and marketing teams. We may have operational difficulties in connection with identifying, hiring and integrating new personnel. Future growth would impose significant additional responsibilities on our management, including the need to identify, recruit, maintain, motivate and integrate additional employees, consultants and contractors. Also, our management may need to divert a disproportionate amount of our attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of our product candidates. If we are unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenues could be reduced, and we may not be able to implement our business strategy.

Many of the other pharmaceutical companies that we compete against for qualified personnel and consultants have greater financial and other resources, different risk profiles and a longer history in the industry than us. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates and consultants than what we have to offer. If we are unable to continue to attract and retain high-quality personnel and consultants, the rate and success at which we can select and develop our product candidates and our business will be limited.

***Our employees, independent contractors, principal investigators, consultants, commercial collaborators, service providers and other vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have an adverse effect on our results of operations.***

We are exposed to the risk that our employees and contractors, including principal investigators, consultants, commercial collaborators, service providers and other vendors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or other unauthorized activities that violate the laws and regulations of the FDA and other similar regulatory bodies, including those laws that require the reporting of true, complete and accurate information to such regulatory bodies, manufacturing standards, federal and state healthcare fraud and abuse and health regulatory laws and other similar foreign fraudulent misconduct laws, or laws that require the true, complete and accurate reporting of financial information or data. Misconduct by these parties may also involve the improper use or misrepresentation 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 third-party 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 be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business and financial results, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, 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.

## Risks related to tax matters

***We have significant deferred tax assets, which may become devalued if we do not generate sufficient future taxable income, applicable corporate tax rates are reduced or if we experience an ownership change.***

Our total net deferred tax assets as of December 31, 2022 were \$43.6 million. Of that amount, \$24.1 million relates to gross deferred tax assets in Aprea AB. Our anticipated activities are also expected to result in future significant net operating losses in the United States and Sweden resulting in additional deferred tax assets. Utilization of most deferred tax assets is dependent on generating sufficient future taxable income in the appropriate jurisdiction and/or entity. The company has provided a valuation allowance of \$43.6 million on our net deferred tax assets as of December 31, 2022, because, based on all available evidence, it is considered more likely than not that all the recorded deferred tax assets will not be realized in a future period. Additionally, most of our deferred tax assets are determined by reference to applicable corporate income tax rates in Sweden or the United States. Accordingly, in the event of a reduction of any such corporate income tax rates, the carrying value of certain of our deferred tax assets would decrease.

Moreover, our ability to use our net operating losses and other deferred tax assets to offset future taxable income in Sweden and the United States may be significantly limited if we experience an ownership change. For Swedish income tax purposes, an ownership change will generally occur when one, or several shareholders together, acquire shares representing more than 50 percent of the voting power over a five year period (under special provisions in Chapter 40 of the Swedish Income Tax Act; 1999:1229). Such an ownership change results in the forfeiture of tax losses carried forward exceeding 200 percent of the cost of the change of control. In this calculation, capital contributions to the company prior to the ownership change and in the preceding two years should reduce the cost of the change of control. Due to potential ownership changes under the Swedish Income Tax Act, we may be limited in our ability to realize a tax benefit on our deferred tax assets, whether or not we attain profitability in future years.

For U.S. federal income tax purposes, an ownership change will generally occur when the percentage of our stock (by value) owned by one or more “5 percent shareholders” (as defined in the U.S. Internal Revenue Code of 1986, as amended) has increased by more than 50% over the lowest percentage owned by such shareholders at any time during the prior three years (calculated on a rolling basis). We anticipate that we will incur losses in the United States in the foreseeable future related to our research and development activities. Due to potential ownership changes under Section 382 of the Code, we may be limited in our ability to realize a tax benefit from the use of our deferred tax assets, whether or not we attain profitability in future years. We believe the Merger likely resulted in an ownership change under Section 382 of the Code, and, accordingly, our net operating losses and other deferred tax assets are subject to limitations.

In addition, our ability to utilize any future net operating losses may be limited by Pub. L. 115-97, commonly known as the Tax Cuts and Jobs Act of 2017 (“TCJA”). Under the TCJA, as amended by the CARES Act, the amount of our net operating losses incurred in taxable years beginning after December 31, 2020 that we are permitted to deduct in any taxable year is limited to 80% of our taxable income in such year, where taxable income is determined without regard to the net operating loss deduction itself, while allowing unused net operating losses to be carried forward indefinitely. Under the CARES Act, net operating losses arising in taxable years beginning before January 1, 2021 are not subject to the 80% limitation.

For these reasons, a material devaluation in our deferred tax assets due to insufficient taxable income, lower corporate income tax rates or ownership change would have an adverse effect on our results of operations and financial condition.

***We may have taxable income as a result of the purging election made following the Holdco Reorganization\***

While not entirely clear, we intend to treat Aprea AB as having been a passive foreign investment company, or PFIC, for U.S. federal income tax purposes prior to the Holdco Reorganization and treat the Company as having succeeded to the tax basis and holding periods of those shareholders in Aprea AB that exchanged their shares for our common stock. Based on such treatment, and absent a purging election as described below, the stock of Aprea AB held by the Company would have retained its status as stock of a PFIC with respect to all periods prior to the Holdco Reorganization (the “PFIC Taint”) and therefore, absent a prior election by those shareholders to treat Aprea AB as a qualified electing fund,

the Company, would have been subject to certain adverse U.S. federal income tax consequences with respect to distributions received on such stock and gain recognized on the disposition of such stock. In order to purge the PFIC Taint on the stock of Aprea AB, and avoid such adverse tax consequences, following the Holdco Reorganization we made a purging election in the form of a deemed dividend election under which, for U.S. federal income tax purposes, Aprea AB will be deemed to have made a distribution to the Company of all of its current and accumulated earnings and profits as determined for U.S. federal income tax purposes. Because Aprea AB did not have any accumulated or current year earnings and profits as of December 31, 2019, we do not expect the purging election to result in any incremental U.S. federal income taxes.

***We may be subject to current taxation on some of the income of our foreign subsidiaries even absent any cash distributions***

Because we hold directly or indirectly all of the shares of our foreign subsidiaries, including Aprea AB, such subsidiaries are treated as controlled foreign corporations (“CFC”) for U.S. federal income tax purposes. For U.S. federal income tax purposes, the Company will therefore need to include in its taxable income each year Aprea AB’s “subpart F income,” and “global intangible low-taxed income”, if any, even if no distributions are made.

***Our foreign subsidiaries may directly become subject to U.S. federal income tax and be subject to a branch profits tax in the United States, which could reduce our after-tax returns and the value of our shares.***

We currently intend to conduct substantially all of our businesses and operations in a manner such that our foreign subsidiaries will not be treated as engaged in a trade or business in the United States and will not be subject to additional U.S. income tax or branch profits tax. However, it is not entirely clear when a foreign subsidiary is treated as being engaged in a trade or business in the United States for U.S. federal income tax purposes and the COVID-19 pandemic and related travel restrictions may further limit our ability to reduce the risk of our foreign subsidiaries being treated as engaged in a U.S. trade or business. Accordingly, we cannot assure you that the Internal Revenue Service (“IRS”) will not contend, perhaps successfully, that our foreign subsidiaries were engaged in a trade or business in the United States or are subject to more U.S. income tax than they currently incur. A foreign corporation deemed to be so engaged would be subject to U.S. federal income tax, as well as branch profits tax, on its income that is treated as effectively connected with the conduct of that trade or business unless the corporation is entitled to relief under an applicable tax treaty, which is determined on an annual basis.

***The ongoing effects of the 2017 Tax Cuts and Jobs Act and GILTI could make our results difficult to predict.***

Our effective tax rate may fluctuate in the future as a result of the TCJA, which included significant enacted changes in U.S. income tax law many aspects of which are not entirely clear and with respect to which some guidance has not yet been finalized. The enacted tax legislation included, among other new provisions, a reduction in the corporate tax rate, new limitations on the deductibility of net interest, the base erosion and anti-abuse minimum tax and new rules related to the global intangible low-taxed income of our foreign subsidiaries (“GILTI”). GILTI may require us to include in taxable income certain income of our foreign subsidiaries that are CFCs, though we may be eligible to claim foreign tax credits with respect to some of the taxes paid by such subsidiaries. While the U.S. tax authorities issued proposed and final regulations for GILTI, there are still certain aspects of the TCJA that remain unclear. We will continue to review the impact of GILTI and the other changes resulting from the TCJA as further guidance is issued. Any further guidance may result in changes to the interpretations and assumptions we made and actions we may take, which as a result may impact the amounts recorded with respect to international provisions of the TCJA, possibly materially.

***Changes in U.S. federal income tax law and other jurisdictions could materially adversely affect an investment in our common shares.***

It is possible that tax laws in the United States and other jurisdictions will be changed. It remains difficult to predict whether or when there will be any tax law changes or further guidance by the authorities in the U.S. or elsewhere in the world that will have a material adverse effect on our business.

## **Risks related to our common stock**

### ***There is no guarantee that the Merger will increase stockholder value.***

We cannot guarantee that the Merger and the related transactions will not impair stockholder value or otherwise adversely affect our business. The acquisition poses significant integration challenges between our businesses and management teams which could result in management and business disruptions, any of which could harm our results of operation, business prospects, and impair the value of such acquisition to our stockholders. Additionally, our preclinical studies or clinical trials may not replicate or advance the results of the research programs and pre-clinical studies that were completed by Atrin prior to the Merger, which may also materially and adversely affect our business, results of operations and prospects.

### ***Our executive officers, directors and principal stockholders may have substantial influence over matters submitted to stockholders for approval. This may prevent new investors from influencing significant corporate decisions.***

As of December 31, 2022, our executive officers and directors and our stockholders which own more than 5% of our outstanding common stock beneficially owned shares representing approximately 28.5% of our common stock. As a result, if these stockholders were to choose to act together, they may have substantial influence over matters submitted to our stockholders for approval, as well as our management and affairs. For example, these persons, if they choose to act together, would control the election of directors and approval of any merger, consolidation or sale of all or substantially all of our assets. This concentration of voting power could delay or prevent an acquisition of our company, or other significant corporate decisions, on terms that other stockholders may desire.

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

Provisions in our certificate of incorporation and our bylaws may discourage, delay or prevent a merger, acquisition or other change in control of us that stockholders may consider favorable, including transactions in which common stockholders might otherwise receive a premium for our shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, 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. Among other things, these provisions:

- establish a classified board of directors such that not all members of the board are elected at one time;
- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from the board;
- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a “poison pill” that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and

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- require the approval of the holders of at least 75% of the votes that all our stockholders would be entitled to cast to amend or repeal certain provisions of our charter or bylaws.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

***If securities analysts do not or do not continue to publish research or reports about our business or if they publish negative evaluations of our business, the price of our stock could decline.***

The trading market for our common stock is and will rely in part on the research and reports that industry or financial analysts publish about us or our business. If one or more of the analysts who currently cover our business downgrade their evaluations of our business, or in the event we obtain additional coverage and one or more of the new analysts issues an adverse evaluation of our business, the price of our stock could decline. If one or more of these analysts cease to cover our stock, we could lose visibility in the market for our stock, which in turn could cause our stock price to decline.

***The price of our common stock has been and may continue to be volatile and fluctuate substantially.***

Our stock price has been and is likely to continue to be volatile. The stock market in general and the market for pharmaceutical and biotechnology companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, our stockholders may not be able to sell our common stock at or above the price they paid for it. The market price for our common stock may be influenced by many factors, including:

- the timing and results of clinical trials of ATRN-119 and any of our other product candidates;
- regulatory actions with respect to our product candidates or our competitors' products and product candidates;
- the success of existing or new competitive products or technologies;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- establishment or termination of collaborations for our product candidates or development programs;
- failure or discontinuation of any of our development programs;
- results of clinical trials of product candidates of our competitors;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to any of our product candidates or development programs;
- the results of our efforts to discover, develop, acquire or in-license additional product candidates or products;
- actual or anticipated changes in estimates as to financial results or development timelines;



- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our insiders or other stockholders;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in estimates or recommendations by securities analysts, if any, that cover our stock;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- the other factors described in this “Risk Factors” section.

***We could be subject to securities class action litigation.***

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because pharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management’s attention and our resources, which could harm our business.

***We are an “emerging growth company” and a “smaller reporting company,” and the reduced disclosure requirements applicable to emerging growth companies or smaller reporting companies may make our common stock less attractive to investors.***

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We may remain an emerging growth company for up to five years, or until such earlier time as we have more than \$1.235 billion in annual revenue, the market value of our stock held by non-affiliates is more than \$700 million or we issue more than \$1 billion of non-convertible debt over a three-year period. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, being permitted to present only two years of audited financial statements and a correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. An emerging growth company can therefore delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are choosing to “opt out” of such extended transition period, and, as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for public companies that are not emerging growth companies. The JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We are also a “smaller reporting company,” as such term is defined in Rule 12b-2 of the Exchange Act, meaning that the market value of our common stock held by non-affiliates is less than \$700 million and our annual revenue is less than \$100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our common stock held by non-affiliates is less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than \$700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

***We continue to incur increased costs as a result of operating as a public company as we become subject to additional laws, regulations and listing exchange standards, and our management will continue to be required to devote substantial time to new compliance initiatives.***

As a public company, and particularly after we are no longer an “emerging growth company” or a “smaller reporting company,” we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002 and rules subsequently implemented by the SEC and NASDAQ have imposed various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance.

Pursuant to Section 404, we are required to furnish a report by our management on our internal control over financial reporting, including an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. There is a risk that neither we nor our independent registered public accounting firm will be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

Accounting principles and related pronouncements, implementation guidelines and interpretations we apply to a wide range of matters that are relevant to our business, including, but not limited to, revenue recognition, leases and stock-based compensation, are complex and involve subjective assumptions, estimates and judgments by our management. Changes in accounting pronouncements or their interpretation or changes in underlying assumptions, estimates or judgments by our management could significantly change our reported or expected financial performance.

***Because we do not anticipate paying any cash dividends on our common stock for the foreseeable future, capital appreciation, if any, of our common stock may be investors’ sole source of gain.***

We have never declared or paid cash dividends on our common stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. In addition, the terms of any future debt agreements may preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be investors’ sole source of gain for the foreseeable future.

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

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. As of December 31, 2022, we had outstanding 2,655,269 shares of common stock. In addition, 56,227 shares of common stock are issuable upon the conversion of preferred stock issued in connection with the Merger.

***Our certificate of incorporation designates the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against the company and our directors, officers and employees.***

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for any derivative action or proceeding brought on our behalf under Delaware law, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to our company or our stockholders, any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, any action asserting a claim against us governed by the internal affairs doctrine, or any other action asserting an “internal corporate claim,” as defined in Section 115 of the Delaware General Corporation Law. These exclusive-forum provisions do not apply to claims under the Securities Act of 1933, as amended, or the Securities Act, or the Exchange Act. This exclusive forum provision may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees. If a court were to find the exclusive-forum provision in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

***We are required to meet the Nasdaq continued listing requirements and other Nasdaq rules, and if we fail to meet such rules and requirements, we may be subject to delisting. Delisting could negatively affect the price of our common stock, which could make it more difficult for us to sell securities in a future financing or for you to sell our common stock.***

We are required to meet the continued listing requirements of Nasdaq and other Nasdaq rules, including those regarding director independence and independent committee requirements, minimum stockholders’ equity, minimum share price and certain other corporate governance requirements. In particular, we are required to maintain a minimum bid price for our listed common stock of \$1.00 per share. If we do not meet these continued listing requirements, our common stock could be delisted. Delisting would cause us to pursue eligibility for trading of these securities on other markets or exchanges, including the OTC BB or QB markets, or on the OTC “pink sheets.” In such case, our stockholders’ ability to trade, or obtain quotations of the market value of our common stock would be severely limited because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask prices of our securities. There can be no assurance that our securities, if delisted from the Nasdaq Capital Market in the future, would be listed on a national securities exchange, a national quotation service, the OTC markets or the pink sheets. Delisting from Nasdaq, or even the issuance of a notice of potential delisting, would also result in negative publicity, make it more difficult for us to raise additional capital, cause us to lose eligibility to register the sale or resale of our shares on Form S-3 and the automatic exemption from registration under state securities laws for exchange-listed securities, adversely affect the market liquidity of our securities, decrease securities analysts’ coverage of us or diminish investor, supplier and employee confidence.

#### **Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

We have a facility in Doylestown, Pennsylvania which consists of office and laboratory space of approximately 1,550 square feet under an operating lease agreement that expires in December 2023. We believe that are current facilities are suitable and adequate to meet our current needs. We believe that suitable additional or substitute space will be available as needed to accommodate any potential expansion of our operations.

**Item 3. Legal Proceedings**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

## **PART II**

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

#### *Market Information and Holders of Record*

Our common stock has been listed on the Nasdaq Global Select Market under the symbol "APRE" since October 3, 2019.

As of March 28, 2023, we had approximately 170 holders of record of our common stock. The actual number of shareholders is greater than this number of record holders and includes shareholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. The number of holders of record also does not include shareholders whose shares may be held in trust by other entities.

#### *Dividends*

We have never declared or paid a cash dividend on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determinations to pay cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions, and any other factors that our board may deem relevant.

#### *Securities Authorized for Issuance under Equity Compensation Plans*

Information regarding the Securities Authorized for Issuance under our Equity Compensation Plans will be included in an amendment to this Annual Report in Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Rule 14A.

#### *Stock Performance Graph*

As a smaller reporting company, we are not required to provide the information requested by this item pursuant to Item 201 of Regulation S-K.

#### *Unregistered sales of equity securities*

None.

#### *Use of proceeds from registered securities*

On October 7, 2019, we completed our IPO, in which we sold 6,516,667 shares of common stock, \$0.001 par value per share, which included the exercise in full by the underwriters of their option to purchase an additional 850,000 shares of common stock, at a price to the public of \$15.00 per share. The offer and sale of the shares in the IPO was registered under the Securities Act pursuant to registration statements on Form S-1 (File No. 333-233662), which was filed with the SEC on September 6, 2019 and amended subsequently and declared effective on October 2, 2019, and Form S-1MEF, which was filed and declared effective with the SEC on October 2, 2019. The underwriters of the offering were J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and RBC Capital Markets, LLC.

Our registration statements relating to the IPO registered common stock with a maximum aggregate offering price of up to \$103,500,005. We raised approximately \$90.9 million in net proceeds after deducting underwriting discounts and commissions of \$6.8 million but before deducting other offering expenses. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

Through December 31, 2022, we have used approximately \$62.4 million of the net proceeds from our IPO for matters described in our final IPO prospectus filed with the SEC on October 4, 2019, or our IPO prospectus. There has been no material change in the planned use of proceeds from our IPO, as described in our IPO prospectus.

*Repurchases of equity securities by the issuer*

None.

**Item 6. [Reserved]**

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

*The following discussion and analysis of financial condition and results of operations is provided to enhance the understanding of, and should be read in conjunction with Part I, Item 1, “Business” and Item 8, ‘Financial Statements and Supplementary Data.’ For information on risks and uncertainties related to our business that may make past performance not indicative of future results or cause actual results to differ materially from any forward-looking statements, see “Special Note Regarding Forward-Looking Statements,” and Part I, Item 1A, ‘Risk Factors.’*

### Overview

We are a clinical-stage biopharmaceutical company focused on developing novel synthetic lethality-based cancer therapeutics that target DNA damage response (DDR) pathways. Our approach is built upon a platform of integrated discovery technologies to enrich our pipeline with novel targets in synthetic lethality and cancer treatment. Together with our expertise in small molecule drug discovery, we are applying the capabilities of our discovery platform to the development of new precision oncology therapies and the identification of patient populations most likely to benefit.

Aprea Therapeutics AB was originally incorporated in 2002 and commenced principal operations in 2006. On September 20, 2019, we consummated a reorganization, pursuant to which all of the issued and outstanding stock and options of Aprea Therapeutics AB were exchanged for common stock, preferred stock or options, as applicable, of Aprea Therapeutics, Inc. As a result, Aprea Therapeutics AB became a wholly-owned subsidiary of Aprea Therapeutics, Inc.

On May 16, 2022, we acquired Atrin Pharmaceuticals Inc. (“Atrin”), in accordance with the terms of the Agreement and Plan of Merger dated May 16, 2022 (the “Merger Agreement”), by and among us, ATR Merger Sub I Inc., a Delaware corporation and our wholly owned subsidiary (“First Merger Sub”), ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned subsidiary of Aprea (“Second Merger Sub”) and Atrin. Pursuant to the Merger Agreement, First Merger Sub merged with and into Atrin, pursuant to which Atrin was the surviving corporation and became a wholly owned subsidiary of Aprea (the “First Merger”). Immediately following the First Merger, Atrin merged with and into the second Merger Sub, pursuant to which Second Merger Sub was the surviving entity. The former Atrin business is now our business.

We believe that synthetic lethality has the potential to impact patients’ lives and treatment strategies for a wide range of cancer types. We aspire to become a leader in this emerging field and are establishing a pipeline of clinical and preclinical programs that we believe may have broad application to cancer treatment.

Our most advanced synthetic lethality product candidate is ATRN-119, a clinical-stage small molecule inhibitor of ataxia telangiectasia and Rad3-related, or ATR, a kinase that plays a critical role in DDR. ATR is one of several key regulators of the response to defective DNA replication and DNA damage, which occurs more commonly in cancer cells than in normal cells. We are enrolling patients into a Phase 1/2a clinical trial to evaluate ATRN-119 under an investigational new drug application, or IND. Patients with advanced solid tumors having mutations in defined DDR-related genes are currently being enrolled into the Phase 1 dose escalation part of the trial. The primary endpoint of this Phase 1 part is to evaluate the tolerability and pharmacokinetics of ATRN-119 when administered orally on a continuous, once-daily schedule. We anticipate ATRN-119 tolerability and pharmacokinetic data from Phase 1 to be available in the first quarter of 2024.

We have several additional, wholly owned preclinical synthetic lethality programs. We are targeting WEE1, a kinase that is a key regulator of multiple phases of the cell cycle. Our lead WEE1 inhibitor product candidate is ATRN-1051, and we anticipate filing of an IND for ATRN-1051 by the end of 2023. In addition, we have a preclinical research program directed at a second-generation ATR inhibitor, ATRN-354. Finally, we also have an early preclinical research program, which is aimed at identification of novel inhibitors of a distinct protein involved in DDR.

In addition to development of these drugs as single agents, we are evaluating potential expansion opportunities for our product candidates through preclinical studies, including combination with poly (ADP-ribose) polymerase inhibitors, or PARPi, where we believe a combination of therapeutic agents may enhance synthetic lethality. We are also evaluating



combination opportunities within our pipeline, including research on the combination of ATRN-119 and ATRN-1051 that is supported by a Phase II SBIR grant from the National Cancer Institute.

Prior to the acquisition of Atrin, we were engaged in the clinical development of cancer therapeutics that reactivate the mutant p53 tumor suppressor protein. Our lead product candidate was APR-246, or eprenetapopt. Following our failed pivotal Phase 3 trial in December 2020, we engaged in a thorough evaluation of strategic options leading to the acquisition of Atrin and shifting our focus to the Atrin assets. We do not currently have any ongoing or planned preclinical studies or clinical trials involving our reactivators of mutant p53 and our primary focus is on the discovery and development of molecules targeting DDR pathways in oncology through synthetic lethality.

We have assembled a team with extensive experience in the discovery, development and commercialization of oncology drugs to support our mission of developing novel synthetic lethality-based cancer therapeutics.

#### *Corporate Background*

Aprea Therapeutics AB, or Aprea AB, was originally incorporated in 2002 and commenced principal operations in 2006. We incorporated Aprea Therapeutics, Inc. (the “Company”) in May 2019. In September 2019 we completed a corporate reorganization and, as a result, all of the issued and outstanding stock of Aprea AB was exchanged for common stock, preferred stock or options, as applicable, of the Company. As a result of such transactions, Aprea AB became a wholly-owned subsidiary of the Company. On May 16, 2022 we completed the acquisition of Atrin as more fully described below.

We have devoted substantially all of our resources to developing our product candidates, including eprenetapopt, building our intellectual property portfolio, business planning, raising capital and providing general and administrative support for these operations. To date, we have financed our operations primarily through private placements of preferred stock, the net proceeds received from the initial public offering (IPO) of our common stock and sales of common stock through a public offering and through our at-the-market (“ATM”) program. From inception through December 31, 2022, we had received net proceeds of approximately \$226.3 million from our sales of preferred and common stock.

#### *Agreement and Plan of Merger*

On May 16, 2022, we acquired Atrin in accordance with the terms of the Agreement and Plan of Merger dated May 16, 2022 (the “Merger Agreement”), by and among us, ATR Merger Sub I Inc., a Delaware corporation and our wholly owned subsidiary (“First Merger Sub”), ATR Merger Sub II LLC, a Delaware limited liability company and our wholly owned subsidiary (“Second Merger Sub”) and Atrin. Pursuant to the Merger Agreement, First Merger Sub merged with and into Atrin, pursuant to which Atrin was the surviving corporation and became a wholly owned subsidiary of Aprea (the “First Merger”). Immediately following the First Merger, Atrin merged with and into the Second Merger Sub, pursuant to which Second Merger Sub was the surviving entity (the “Second Merger”, together with the First Merger, the “Merger”). The Merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes. Our board of directors approved the Merger Agreement and the related transactions. The consummation of the Merger was not subject to approval of our stockholders. The Atrin acquisition was accounted for as an asset acquisition for accounting purposes (see Note 3 to our consolidated financial statements).

Under the terms of the Merger agreement, at the closing of the Merger, we issued to the securityholders of Atrin, 55,869 shares of our common stock and 2,949,630 shares of Series A Non-Voting Convertible Preferred Stock, each share of which is convertible into 10 shares of our common stock. In addition, we assumed outstanding Atrin stock options, which became options to purchase 163,757 shares of our common stock.

Pursuant to the Merger Agreement, we held our annual stockholders’ meeting (the “Stockholders’ Meeting”) on July 28, 2022 where, among other matters, the following matters were approved; (i) the conversion of the Series A Non-Voting Convertible Preferred Stock into shares of Common Stock in accordance with Nasdaq Listing Rule 5635(a) and (ii) the ratification of the appointment by our Board of Directors of additional directors.

Through December 31, 2022, a total of 2,893,403 shares of Series A Non-Voting Convertible Preferred Stock were converted into 1,446,701 shares of common stock. As of December 31, 2022, a total of 56,227 shares of Series A Non-Voting Convertible Preferred Stock remained outstanding.

#### *Contingent Value Rights Agreement*

In accordance with the Merger Agreement, on May 16, 2022, we and the Rights Agent (as defined therein) executed and delivered a contingent value rights agreement (the “CVR Agreement”), pursuant to which each holder of our common stock as of May 16, 2022, other than former stockholders of Atrin, is entitled to one contractual contingent value right issued by us, subject to and in accordance with the terms and conditions of the CVR Agreement, for each share of our common stock held by such holder. Each contingent value right entitles the holder thereof to receive certain cash payments equal to 70% of the net proceeds, if any received by us, related to the disposition of tangible and intangible assets related to our legacy business of developing and commercializing cancer therapeutics that reactivate mutant p53 tumor suppressor protein, including but not limited to APR-246, or eprentapopt, APR-548, and all associated analogs in the 2 year period following the closing of the transaction. The contingent value rights are not transferable, except in certain limited circumstances as will be provided in the CVR Agreement, will not be certificated or evidenced by any instrument, and will not be registered with the SEC or listed for trading on any exchange.

#### *Reverse Stock Split*

On November 16, 2022, our stockholders approved a proposal at a special meeting of stockholders to amend our Amended and Restated Certificate of Incorporation (“Certificate of Incorporation”) to effect a reverse stock split (“Reverse Stock Split”) of our common stock, par value \$0.001 (the “Common Stock”) at a ratio of between one-for-3 and one-for-20, inclusive (the “Split Ratio Range”), with the final determination of such ratio within the Split Ratio Range to be approved by the Board of Directors (the “Board”) following stockholder approval. Following the special meeting, the Board approved a final split ratio of one-for-20. Following such approval, we filed an amendment to our Certificate of Incorporation (the “Amendment”) with the Secretary of State of the State of Delaware to effect the Reverse Stock Split, with an effective time of 5:00 p.m. on February 10, 2023. No fractional shares were issued as a result of the Reverse Stock Split. Stockholders who would have otherwise been entitled to receive a fractional share received a cash payment in lieu thereof. The Reverse Stock Split affected all shares of our Common Stock outstanding immediately prior to the effective date of the Reverse Stock Split, as well as the number shares of common stock available for issuance under our equity incentive plans. In addition, the reverse stock split effected a reduction in the number of shares of common stock issuable upon the exercise of stock options restricted stock units outstanding.

#### *Liquidity*

Since our inception, we have incurred significant losses on an aggregate basis. Our ability to generate product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our product candidates. Our net losses were \$112.7 million, \$37.1 million and \$53.5 million for the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022, we had an accumulated deficit of \$293.8 million. These losses have resulted primarily from costs incurred in connection with research and development activities, patent investment, and general and administrative costs associated with our operations. We expect to continue to incur significant expenses and increasing operating losses for at least the next several years.

We anticipate that our expenses will increase substantially if and as we:

- conduct our current and future clinical trials and additional preclinical research;
- initiate and continue research and preclinical and clinical development of our other product candidates;
- seek to identify and develop additional product candidates;
- seek marketing approvals for any of our product candidates that successfully complete clinical trials, if any;

- establish a sales, marketing, manufacturing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- require the manufacture of larger quantities of our product candidates for clinical development and potential commercialization;
- maintain, expand, protect and enforce our intellectual property portfolio;
- acquire or in-license other drugs and technologies;
- defend against any claims of infringement, misappropriation or other violation of third-party intellectual property;
- hire and retain additional clinical, quality control and scientific personnel; and
- add operational, financial and management information systems and personnel, including personnel to support our drug development, any future commercialization efforts and our transition to a public company.

Furthermore, if we obtain marketing approval for any of our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution.

As a result, we will need additional financing to support our continuing operations. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operations through a combination of public or private equity or debt financings or other sources, which may include collaborations with third parties. We may be unable to raise additional funds or enter into other agreements or arrangements when needed on favorable 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 or commercialization of one or more of our product candidates.

Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate revenue from product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

As of December 31, 2022, we had cash and cash equivalents of \$28.8 million. We believe that our existing cash and cash equivalents combined with the net proceeds received from the Company's public offering of common stock in February 2023 will enable us to fund our operating expenses and capital expenditure requirements into the third quarter of 2024. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See "—Liquidity and Capital Resources."

### **Components of our results of operations**

#### ***Revenue***

We have not generated any revenue from product sales and do not expect to generate any revenue from the sale of products in the near future. If our development efforts for any of our product candidates are successful and result in marketing approval or collaboration or license agreements with third parties, we may generate revenue in the future from a combination of product sales or payments from collaboration or license agreements that we may enter into with third parties.

#### **Operating expenses**

Our expenses since inception have consisted solely of research and development costs and general and administrative costs.

*Research and development expenses*

Research and development expenses consist primarily of costs incurred for our research activities, including our discovery efforts, and the development of our product candidates, and include:

- expenses incurred under agreements with third parties, including contract research organizations, or CROs, that conduct research, preclinical activities and clinical trials on our behalf as well as contract manufacturing organizations, or CMOs, that manufacture our product candidates for use in our preclinical and clinical trials;
- salaries, benefits and other related costs, including stock-based compensation expense, for personnel engaged in research and development functions;
- costs of outside consultants, including their fees, stock-based compensation and related travel expenses;
- costs of laboratory supplies and acquiring, developing and manufacturing preclinical study and clinical trial materials;
- expenses related to compliance with regulatory requirements; and
- facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. We recognize costs for certain development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations, or information provided to us by our vendors and our clinical investigative sites. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our financial statements as prepaid or accrued research and development expenses.

We typically use our employee and infrastructure resources across our development programs. We track outsourced development costs and payments made to our research partners by product candidate or development program, but we do not allocate personnel costs or other internal costs to specific development programs or product candidates.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will continue to increase for the foreseeable future as we initiate clinical trials for ATRN-119 and other product candidates and continue to discover and develop additional product candidates.

We cannot determine with certainty the duration and costs of planned clinical trials of our product candidates or if, when, or to what extent we will generate revenue from the commercialization and sale of any our product candidates for which we obtain marketing approval. We may never succeed in obtaining marketing approval for any of our product candidates. The duration, costs and timing of clinical trials and development of our product candidates will depend on a variety of factors, including:

- the scope, rate of progress, expense and results of any future clinical trials of our product candidates and other research and development activities that we may conduct;
- uncertainties in clinical trial design and patient enrollment rates;
- significant and changing government regulation and regulatory guidance;
- the timing and receipt of, and any limitations imposed by regulatory bodies on, any marketing approvals; and

- the expense of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the U.S. Food and Drug Administration, or FDA, or another regulatory authority in a foreign jurisdiction were to require us to conduct clinical trials beyond the scope we currently anticipate, or additional clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant trial delays due to patient enrollment or other reasons, we would be required to expend significant additional financial resources and time on the completion of clinical development.

#### *General and administrative expenses*

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in our executive, finance, corporate and business development and administrative functions. General and administrative expenses also include legal fees relating to patent and corporate matters; professional fees for accounting, auditing, tax and consulting services; insurance costs; travel expenses; and facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expect that our general and administrative expenses will increase in the future as a result of the costs associated with the Merger as well as the expansion of operations subsequent to the Merger, as we increase our headcount to support personnel in research and development and to support our operations generally, and as we increase our research and development activities and activities related to the potential commercialization of our product candidates. We also expect to continue to incur increased expenses associated with being a public company, including costs of accounting, audit, legal, regulatory and tax-related services associated with maintaining compliance with exchange listing and SEC requirements; director and officer insurance costs; and investor and public relations costs.

#### *Acquired In-Process Research and Development Expense*

Acquired in-process research and development (“IPR&D”) expense resulted from the Atrin acquisition in May 2022 which was accounted for as an asset acquisition. The acquisition cost allocated to acquire IPR&D with no alternative future use was recorded as an expense at the acquisition date and no additional IPR&D expense relating to the Atrin acquisition is expected to be reported in future periods.

#### ***Other income and expense***

##### *Interest income and expense*

Interest income consists of income earned on our cash and cash equivalents. Interest expense consists of the interest component associated with our facility leases. Our interest income initially increased as our cash and cash equivalents were higher due to the cash proceeds received from our IPO. Such interest income is subsequently decreasing as (i) our cash balance decreases as we continue to fund operations and (ii) a change in interest rates.

##### *Foreign currency gain*

Our consolidated financial statements are presented in U.S. dollars, which is our reporting currency. The financial position and results of operations of our subsidiary Aprea AB is measured using the foreign subsidiary’s local currency as the functional currency. Aprea AB cash accounts holding U.S. dollars are remeasured based upon the exchange rate at the date of remeasurement with the resulting gain or loss included in the consolidated statement of operations and comprehensive loss. Expenses of such subsidiaries have been translated into U.S. dollars at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange on the consolidated balance sheet date. The resulting translation gain and loss adjustments are recorded directly as a separate component of stockholders’ equity and as other comprehensive loss on the consolidated statement of operations and comprehensive loss.

### ***Income taxes***

We have not recorded any U.S. federal, state or foreign income tax expense or benefits for the net losses we have incurred in any year, due to our uncertainty of realizing a benefit from those items. We have provided a valuation allowance for the full amount of the net deferred tax assets as, based on all available evidence, it is considered more likely than not that all the recorded deferred tax assets will not be realized in a future period.

### **Critical accounting policies and use of estimates**

Our management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, costs and expenses in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are 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. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in the notes to our financial statements, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

### ***Accrued research and development expenses***

As part of the process of preparing our financial statements, we are required to estimate our accrued research and development expenses at each balance sheet. This process involves reviewing open contract and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual costs. The majority of our service providers invoice us in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; however, some require advanced payments. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us at that time. Examples of estimated accrued research and development expenses include fees paid to:

- CROs in connection with performing research activities on our behalf and conducting preclinical studies and clinical trials on our behalf;
- investigative sites or other service providers in connection with clinical trials;
- vendors in connection with preclinical and clinical development activities; and
- vendors related to product manufacturing and development and distribution of preclinical and clinical supplies.

We base our expenses related to preclinical studies and clinical trials on our estimates of the services received and efforts expended pursuant to quotes and contracts with CROs that conduct and manage preclinical studies and clinical trials on our behalf. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows. There may be instances in which payments made to our vendors will exceed the level of services provided and result in a prepayment of the expense. Payments under some of these contracts depend on factors such as the successful enrollment of patients and the completion of clinical trial milestones. In accruing fees, we estimate the time period over which services will be performed, enrollment of patients, number of sites activated and the level of effort to be expended in each period. If the actual timing of the performance of services or the level of effort varies from our estimate, we adjust the accrual or amount of prepaid expense accordingly. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in us reporting amounts

that are too high or too low in any particular period. To date, we have not made any material adjustments to our prior estimates of accrued research and development expenses.

### ***Stock-based compensation***

We measure stock options and other stock-based awards granted to employees and directors based on their fair value on the date of the grant and recognize compensation expense of those awards, over the requisite service period, which is generally the vesting period of the respective award. We apply the straight-line method of expense recognition to all awards with only service-based vesting conditions and apply the graded-vesting method to all awards with performance-based vesting conditions or to awards with both service-based and performance-based vesting conditions.

For stock-based awards granted to non-employees, compensation expense is recognized over the period during which services are rendered by such non-employees until completed in accordance with the FASB issued ASU No. 2018-07, Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting. The new standard largely aligns the accounting for share-based payment awards issued to employees and nonemployees by expanding the scope of ASC 718 to apply to nonemployee share-based transactions, as long as the transaction is not effectively a form of financing.

We estimate the fair value of each stock option grant on the date of grant using the Black-Scholes option-pricing model, which uses as inputs the fair value of our common stock and assumptions we make for the volatility of our common stock, the expected term of our stock options, the risk-free interest rate for a period that approximates the expected term of our stock options and our expected dividend yield.

We also award restricted stock units (“RSUs”) to employees and directors. RSUs are generally subject to forfeiture if employment terminates prior to completion of the vesting restrictions. We expense the cost of the RSUs, which is determined to be the fair market value of the shares of common stock underlying the RSUs at the date of grant, ratably over the period during which the vesting restrictions lapse.

### ***Emerging growth company and smaller reporting company status***

We are an emerging growth company (EGC), as defined in the JOBS Act. Under this act, emerging growth companies are permitted to delay adopting new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We may remain classified as an EGC until the end of the fiscal year in which the fifth anniversary of our IPO occurs, although if the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the last trading day of the second quarter before that time or if we have annual gross revenues of \$1.235 billion or more in any fiscal year, we would cease to be an EGC as of December 31 of the applicable year. We also would cease to be an EGC if we issue more than \$1 billion of non-convertible debt over a three-year period.

We are also a “smaller reporting company,” as such term is defined in Rule 12b-2 of the Exchange Act, meaning that the market value of our common stock held by non-affiliates is less than \$700 million and our annual revenue is less than \$100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our common stock held by non-affiliates is less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than \$700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.



**Results of operations**

**Comparison of the years ended December 31, 2022 and 2021**

**Research and development expenses**

	Years ended December 31,		Change
	2022	2021	
Operating expenses:			
Research and development	\$ 16,402,273	\$ 23,895,875	\$ (7,493,602)
General and administrative	20,969,771	13,550,478	7,419,293
Acquired in-process research and development	76,020,184	—	76,020,184
Total operating expenses	<u>113,392,228</u>	<u>37,446,353</u>	<u>75,945,875</u>
Other income (expense):			
Interest income	448,667	1,648	447,019
Foreign currency gain	281,534	317,402	(35,868)
Total other income (expense)	<u>730,201</u>	<u>319,050</u>	<u>411,151</u>
Net loss	<u>\$ 112,662,027</u>	<u>\$ 37,127,303</u>	<u>\$ 75,534,724</u>

	Years ended December 31,		Change
	2022	2021	
APR-246	\$ 4,529,279	\$ 12,213,069	\$ (7,683,790)
ATRN-119	661,744	—	661,744
Other early-stage development programs	1,255,708	4,315,990	(3,060,282)
Unallocated research and development expenses	9,955,542	7,366,816	2,588,726
Total research and development expenses	<u>\$ 16,402,273</u>	<u>\$ 23,895,875</u>	<u>\$ (7,493,602)</u>

Research and development expenses for the year ended December 31, 2022 were \$16.4 million, compared to \$23.9 million for the year ended December 31, 2021. The overall decrease of \$7.5 million was primarily due to the overall activity in connection with the wrap up and close out of the legacy Aprea clinical trials, manufacturing and preclinical activities as follows:

- a decrease of \$2.6 million in pre-clinical development activities;
- a decrease of \$2.5 million related to the close out of our Phase 1/2 solid tumor trial;
- a decrease of \$1.4 million related to the close out of our pivotal Phase 3 clinical trial of eprenetapopt with azacitidine for frontline treatment of *TP53* mutant MDS;
- a decrease of \$1.3 million in manufacturing expenses;
- a decrease of \$0.8 million related to the close out of our Phase 1/2 clinical trial in relapsed/refractory *TP53* mutant chronic lymphoid leukemia (CLL) assessing eprenetapopt with venetoclax and rituximab and eprenetapopt with ibrutinib in order to further assess eprenetapopt in hematological malignancies;
- a decrease of \$0.7 million related to the close out of our Phase 1 dose-escalation clinical trial of APR-548, a next generation p53 reactivator;
- a decrease of \$0.4 million related to the close out of our Phase 1 AML clinical trial;
- a decrease of \$0.4 million in pharmacovigilance expenses; and

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- a decrease of \$0.4 million in drug storage expenses.

The above decreases were offset, in part by:

- an increase of \$3.2 million in non-cash stock-based compensation expense. The increase in non-cash stock-based compensation expense was related to the accelerated vesting of all outstanding and unvested stock options and RSUs in connection with the Atrin acquisition which occurred in the second quarter of 2022; and
- an increase of \$0.7 million related to the development of ATRN-119

**General and administrative expenses**

General and administrative expenses for the year ended December 31, 2022 were \$21.0 million, compared to \$13.6 million for the year ended December 31, 2021. The increase of \$7.4 million was primarily related to:

- an increase of \$6.0 million in non-cash stock-based compensation expense. The increase in non-cash stock-based compensation expense was related to the accelerated vesting of all outstanding and unvested stock options and RSUs in connection with the Atrin acquisition which occurred in the second quarter of 2022; and
- an increase in legal expenses of \$1.3 million associated with post-acquisition activities, our preferred stock conversion, and our reverse stock split.

The above increase was offset, in part by the following:

- a decrease in D&O insurance of \$0.3 million.

**Other income and expense**

Foreign currency gain was \$0.3 million for each of the years ended December 31, 2022 and 2021. Interest income for the year ended December 31, 2022 was \$0.4 million and consisted primarily of interest earned on our cash and cash equivalents offset in part, by interest expense associated with our facility leases.

**Comparison of the years ended December 31, 2021 and 2020**

	Years ended December 31,		Change
	2021	2020	
Operating expenses:			
Research and development	\$ 23,895,875	\$ 37,879,325	\$(13,983,450)
General and administrative	13,550,478	14,931,887	(1,381,409)
Total operating expenses	37,446,353	52,811,212	(15,364,859)
Other income (expense):			
Interest income	1,648	222,652	(221,004)
Foreign currency (loss) gain	317,402	(890,252)	1,207,654
Total other income (expense)	319,050	(667,600)	986,650
Net loss	<u>\$ (37,127,303)</u>	<u>\$ (53,478,812)</u>	<u>\$ 16,351,509</u>

**Research and development expenses**

	Years ended December 31,		Change
	2021	2020	
Eprentapopt (APR-246)	\$ 12,213,069	\$ 28,519,258	\$(16,306,189)
Other early-stage development programs	4,315,990	2,515,946	1,800,044
Unallocated research and development expenses	7,366,816	6,844,121	522,695
Total research and development expenses	<u>\$ 23,895,875</u>	<u>\$ 37,879,325</u>	<u>\$(13,983,450)</u>

Research and development expenses for the year ended December 31, 2021 were \$23.9 million, compared to \$37.9 million for the year ended December 31, 2020. The overall decrease of \$14.0 million was primarily due to the continued development of our lead product candidate, eprenetapopt as follows:

- a decrease of \$10.4 million related to our pivotal Phase 3 clinical trial of eprenetapopt with azacitidine for frontline treatment of *TP53* mutant MDS which completed enrollment in Q2 2020. The \$10.4 million decrease included \$3.5 million related to the development of an in vitro companion diagnostic test for eprenetapopt during the year ended December 31, 2020 for which there were no comparable costs during the year ended December 31, 2021;
- a decrease of \$1.9 million related to our Phase 2 post-transplant MDS/AML clinical trial;
- a decrease of \$1.7 million in regulatory expenses primarily related to the preparation of a New Drug Application (NDA) for eprenetapopt in 2020 for which there were no comparable expenses in 2021;
- a decrease of \$1.2 million in other clinical trials including our Phase 2 clinical trials in the U.S. and France; and
- a decrease of \$0.7 million in manufacturing expenses related to the scale-up for the anticipated commercial production of eprenetapopt in 2020 for which there were no comparable expenses in 2021;

The above decreases were offset, in part by the following:

- an increase of \$0.8 million related to our Phase 1/2 clinical trials in relapsed/refractory gastric, bladder and non-small cell lung cancers assessing eprenetapopt with anti-PD-1 therapy which enrolled its first patient in Q3 2020;
- an increase of \$0.5 million related to the development of a Phase 1 dose-escalation clinical trial of APR-548, a next generation p53 reactivator being developed in an oral dosage form; and
- an increase of \$0.5 million related to the development of our next generation program.

#### ***General and administrative expenses***

General and administrative expenses for the year ended December 31, 2021 were \$13.5 million, compared to \$14.9 million for the year ended December 31, 2020. The decrease of \$1.4 million was primarily related to:

- a decrease of \$2.0 million in commercial development expense which was related to the initiation of certain pre-commercialization activities such as market research and brand building in 2020 for which there was no comparable expense for 2021;
- a decrease of \$1.1 million in consulting expense primarily related to decreased recruiting and search fees; and
- a decrease of \$0.4 million of personnel costs

The above decreases were offset, in part by:

- an increase of \$2.0 million in non-cash stock-based compensation expense which was primarily related to stock option and RSU grants made in February 2021 in connection with the Company's annual compensation review for employees and stock option and RSU grants made in June 2021 in connection with the Company's annual compensation review for its non-employee board members.

### ***Other income and expense***

Foreign currency gain for the year ended December 31, 2021 was \$0.3 million compared to a foreign currency loss of \$0.9 million for the year ended December 31, 2020. The increase in foreign currency gain of \$1.2 million was primarily due to a strengthening of the U.S. dollar against the Swedish Krona during the year ended December 31, 2021. Interest income for the year ended December 31, 2021 consisted primarily of interest earned on our cash and cash equivalents offset in part, by interest expense associated with our facility leases.

### **Liquidity and capital resources**

Since our inception, we have incurred significant losses on an aggregate basis. We have not yet commercialized any of our product candidates, which are in various phases of preclinical and clinical development, and we do not expect to generate revenue from sales of any products for several years, if at all. Since 2019, our primary source of funds has been from the public sales of our common stock. As of December 31, 2022, we had cash and cash equivalents of \$28.8 million. We believe that our existing cash and cash equivalents combined with the net proceeds received from the February 2023 Public Offering will enable us to fund our operating expenses and capital expenditure requirements into the third quarter of 2024.

On November 12, 2020, we filed a shelf registration statement, or the 2020 Shelf Registration Statement, with the SEC for the issuance up to \$350 million, and up to \$50 million under the Sales Agreement, as discussed below, which was declared effective on November 30, 2020. We filed a prospectus supplement to the 2020 Shelf Registration Statement dated September 2, 2022 for the sale of up to \$14,744,728 of shares of our common stock pursuant to the Sales Agreement.

On November 12, 2020, we entered into a Sales Agreement, or the Sales Agreement, with SVB Leerink LLC, or SVB. Pursuant to the terms of the Sales Agreement, we may, from time to time, in our sole discretion, issue and sell through SVB, acting as sales agent, up to \$50.0 million of shares of our common stock. The issuance and sale, if any, of shares of our common stock under the Sales Agreement and the Second Sales Agreement will be made pursuant to the prospectus supplement accompanying the 2020 Shelf Registration Statement. During the year ended December 31, 2022, we issued and sold 38,481 shares of common stock under the Sales Agreement resulting in net proceeds of approximately \$0.7 million. During the year ended December 31, 2021, we issued and sold 18,338 shares of our common stock pursuant to the Sales Agreement resulting in net proceeds of approximately \$1.5 million. While we intend to continue selling shares of common stock through the Sales Agreement, there can be no assurances that we will be able to sell shares of our common stock under the Sales Agreement, that we will be able to sell shares of common stock at a price that is acceptable to our Board of Directors, or that we will be successful in raising significant capital through the Sales Agreement.

On February 27, 2023, we sold 1,050,000 shares of our common stock at a public offering price of \$5.25 per share pursuant to the 2020 Shelf Registration Statement, or the February 2023 Public Offering. We received gross proceeds of \$5.5 million and net proceeds of \$4.8 million from the February 2023 Public Offering, after deducting underwriting discounts and offering expenses.

In the future, we may periodically offer one or more of these securities in amounts, prices and terms to be announced when and if the securities are offered. If any of the securities covered by the 2020 Shelf Registration Statement are offered for sale, a prospectus supplement will be prepared and filed with the SEC containing specific information about the terms of such offering at that time.

## Cash flows

The following table summarizes our sources and uses of cash for each of the periods presented:

	Years ended December 31,		
	2022	2021	2020
Net cash provided by (used in):			
Operating activities	\$ (25,011,136)	\$ (37,686,179)	\$ (41,802,672)
Investing activities	--	--	(25,709)
Financing activities	682,973	1,747,012	150,949
Net (decrease) increase in cash and cash equivalents	<u>\$ (24,328,163)</u>	<u>\$ (35,939,167)</u>	<u>\$ (41,677,432)</u>

### Operating activities

Cash used in operating activities resulted primarily from our net losses adjusted for non-cash charges and changes in components of working capital. Net cash used in operating activities was \$25.0 million for the year ended December 31, 2022 compared to \$37.7 million for the year ended December 31, 2021. The decrease in net cash used in operating activities of \$12.7 million was primarily attributable to an increase in our net loss of \$75.8 million, which was largely due to acquired IPR&D associated with the Atrin acquisition of \$76.0 million and a decrease in operating assets and liabilities of \$1.8 million, partially offset by an increase in non-cash stock-based compensation of \$9.2 million.

Net cash used in operating activities was \$37.7 million for the year ended December 31, 2021 compared to \$41.8 million for the year ended December 31, 2020. The decrease in cash used in operating activities of \$4.1 million was primarily attributable to a decrease in our net loss of \$16.4 million, resulting from both decreased research and development expenses and decreased general and administrative expenses discussed previously partially offset by an increase in non-cash stock-based compensation of \$2.8 million as well as a net decrease in operating assets and liabilities of \$8.3 million.

### Investing activities

Cash used in investing activities for the years ended December 31, 2022, 2021 and 2020 was \$0, \$0 and \$25,709, respectively. Cash used in investing activities for 2020 represented the acquisition and property and equipment

### Financing activities

Net cash provided by financing activities was \$0.7 million for the year ended December 31, 2022 compared to \$1.7 million for the year ended December 31, 2021. The decrease in cash provided by financing activities was primarily attributable to a decrease in net proceeds of \$1.0 million received from sales of common stock under our ATM program.

Net cash provided by financing activities was \$1.7 million for the year ended December 31, 2021 compared to \$0.1 million for the year ended December 31, 2020. The increase in cash provided by financing activities was primarily attributable to net proceeds of \$1.5 million received from sales of common stock under the Sales Agreement which was activated in December 2021 and \$0.2 million received from the exercise of stock options.

### Funding requirements

We expect our expenses to increase substantially in connection with our ongoing and planned development activities related to our product candidates and programs which are still in the early stages of clinical development. In addition, we have incurred and continue to incur additional costs associated with operating as a public company. We expect that our expenses will increase substantially if and as we:

- initiate and conduct clinical trials and additional preclinical research for our product candidates;
- seek to identify and develop additional product candidates;

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- seek marketing approvals for any of our product candidates that successfully complete clinical trials, if any;
- establish a sales, marketing, manufacturing and distribution infrastructure to commercialize any products for which we may obtain marketing approval;
- require the manufacture of larger quantities of our product candidates for clinical development and potentially commercialization;
- maintain, expand, protect and enforce our intellectual property portfolio;
- acquire or in-license other drugs and technologies;
- defend against any claims of infringement, misappropriation or other violation of third-party intellectual property;
- hire and retain additional clinical, quality control and scientific personnel;
- build out new facilities or expand existing facilities to support our ongoing development activity;
- add operational, financial and management information systems and personnel, including personnel to support our drug development, any future commercialization efforts and our transition as a public company; and
- continue to operate as a public company.

As of December 31, 2022, we had cash and cash equivalents of \$28.8 million. We believe that our existing cash and cash equivalents combined with the net proceeds received from the February 2023 Public Offering will enable us to fund our operating expenses and capital expenditure requirements into the third quarter of 2024. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect.

Because of the numerous risks and uncertainties associated with the development of our product candidates and programs and because the extent to which we may enter into collaborations with third parties for development of our product candidates is unknown, we are unable to estimate the timing and amounts of increased capital outlays and operating expenses associated with completing the research and development of our product candidates. Our future capital requirements will depend on many factors, including:

- the scope, progress, results and costs of our planned clinical trials, drug discovery and preclinical research for our product candidates;
- the number of future product candidates that we pursue and their development requirements;
- the costs, timing and outcome of regulatory review of our product candidates;
- the extent to which we acquire or invest in businesses, products and technologies, including entering into or maintaining licensing or collaboration arrangements for product candidates on favorable terms, and although we may explore such opportunities from time to time during the normal course of business, we currently have no commitments or agreements to complete any such transactions;
- the costs and timing of future commercialization activities, including drug sales, marketing, manufacturing and distribution, for any of our product candidates for which we receive marketing approval, to the extent that such sales, marketing, manufacturing and distribution are not the responsibility of any collaborator that we may have at such time;
- the amount of revenue, if any, received from commercial sales of our product candidates, should any of our product candidates receive marketing approval;

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- the impact of COVID-19 on the financial markets in general and on our business in particular;
- the costs of preparing, filing and prosecuting patent applications, maintaining, protecting and enforcing our intellectual property rights and defending intellectual property-related claims;
- our headcount growth and associated costs as we expand our business operations and our research and development activities; and
- the costs of operating as a public company.

Developing drug products, including conducting preclinical studies and clinical trials, is a time-consuming, expensive and uncertain process that takes years to complete, and we may never generate the necessary data or results required to obtain marketing approval for any product candidates or generate revenue from the sale of any products for which we may obtain marketing approval. In addition, our product candidates, if approved, may not achieve commercial success. Our commercial revenues, if any, will be derived from sales of drugs that we do not expect to be commercially available for many years, if ever. Accordingly, we will need to obtain substantial additional funds to achieve our business objectives.

Adequate additional funds may not be available to us on acceptable terms, or at all. We do not currently have any committed external source of funds. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ownership interests in our securities may be diluted, and the terms of these securities may include liquidation or other preferences and anti-dilution protections that could adversely affect the rights of our common stockholders. Additional debt or preferred equity financing, if available, may involve agreements that include restrictive covenants that may limit our ability to take specific actions, such as incurring debt, making capital expenditures or declaring dividends, which could adversely impact our ability to conduct our business, and may require the issuance of warrants, which could potentially dilute existing ownership interest.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technology, future revenue streams, research programs, or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings or collaborations, strategic alliances or licensing arrangements with third parties when needed, we may be required to delay, limit, reduce and/or terminate our product development programs or any future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

### **Contractual obligations and commitments**

We have an annual operating lease for office and laboratory space in Doylestown, Pennsylvania which was renewed for 2023 and is currently set to expire on December 31, 2023. Rent expense under this lease is \$101,000 annually and the company has applied the short-term exception to this lease.

We enter into contracts in the normal course of business with CROs and CMOs for clinical trials, preclinical research studies and testing, manufacturing and other services and products for operating purposes. These contracts do not contain any minimum purchase commitments and are cancelable by us upon prior notice of 30 days and, as a result, are not included in the table of contractual obligations above. Payments due upon cancellation consist only of payments for services provided and expenses incurred up to the date of cancellation.

### **Off-balance sheet arrangements**

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.



## **Recent accounting pronouncements**

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that we adopt as of the specified effective date.

We do not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material impact on our financial statements.

## **Item 7A. Quantitative and qualitative disclosures about market risk**

### *Interest Rate Risk*

We are exposed to market risk related changes in interest rates. As of December 31, 2022, our cash equivalents consisted of bank deposits and money market accounts. Our primary exposure to market risk is interest income sensitivity, which is affected by changes in the general level of U.S. interest rates. However, historical fluctuations in interest income have not been significant for us.

### *Foreign Currency Exchange Rate Risk*

We face market risk to the extent that changes in foreign currency exchange rates affect our non-U.S. dollar functional currency foreign subsidiary’s revenues, expenses, assets and liabilities. The financial position and results of operations of our subsidiary Aprea AB is measured using the foreign subsidiary’s local currency as the functional currency. Aprea AB cash accounts holding U.S. dollars are remeasured based upon the exchange rate at the date of remeasurement with the resulting gain or loss included in the consolidated statement of operations and comprehensive loss.

Our investments in foreign subsidiaries with a functional currency other than the U.S. dollar are generally considered long-term. In addition, we do not believe that we currently have any significant direct foreign exchange risk. Accordingly, we have not used any derivative financial instruments to hedge exposure to such risk.

### *Inflation Risk*

Inflation generally affects us by increasing our cost of labor and pricing of contracts. We do not believe that inflation has had a material effect on our business, financial condition, or results of operations during the year ended December 31, 2022.

**Item 8. Financial Statements and Supplementary Data**

**Aprea Therapeutics, Inc.  
Index to Consolidated Financial Statements**

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<a href="#">Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2022, 2021 and 2020</a>	F-3
<a href="#">Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity for the years ended December 31, 2022, 2021 and 2020</a>	F-4
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## **Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of Aprea Therapeutics, Inc.

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Aprea Therapeutics, Inc. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' equity and cash flows for each of the three years in the period ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2022 and 2021, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

### **Basis for Opinion**

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

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

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

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

Iselin, New Jersey  
March 30, 2023

**Aprea Therapeutics, Inc.**  
**Consolidated Balance Sheets**

	December 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 28,786,647	\$ 53,076,052
Prepaid expenses and other current assets	1,366,859	3,508,358
Total current assets	30,153,506	56,584,410
Property and equipment, net	2,321	23,870
Right of use lease asset	—	185,811
Other noncurrent assets	—	29,372
Total assets	<u>\$ 30,155,827</u>	<u>\$ 56,823,463</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 842,754	\$ 1,773,032
Accrued expenses	2,358,332	5,352,996
Lease liability—current	—	190,471
Total current liabilities	3,201,086	7,316,499
Lease liability—noncurrent	—	—
Total liabilities	3,201,086	7,316,499
Commitments and contingencies (Note 11)		
Series A convertible preferred stock, \$0.001 par value, 40,000,000 shares authorized; 56,227 and 0 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively.	1,311,063	—
Stockholders' equity:		
Common stock, \$0.001 par value, 400,000,000 shares authorized, 2,655,269 and 1,092,967 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively.	2,655	1,092
Additional paid-in capital	330,060,836	240,999,206
Accumulated other comprehensive loss	(10,623,408)	(10,358,956)
Accumulated deficit	(293,796,405)	(181,134,378)
Total stockholders' equity	25,643,678	49,506,964
Total liabilities and stockholders' equity	<u>\$ 30,155,827</u>	<u>\$ 56,823,463</u>

See accompanying notes to consolidated financial statements.

**Aprea Therapeutics, Inc.**  
**Consolidated Statements of Operations and Comprehensive Loss**

	Year Ended December 31,		
	2022	2021	2020
Operating expenses:			
Research and development	\$ 16,402,273	\$ 23,895,875	\$ 37,879,325
General and administrative	20,969,771	13,550,478	14,931,887
Acquired in-process research and development	76,020,184	—	—
Total operating expenses	<u>113,392,228</u>	<u>37,446,353</u>	<u>52,811,212</u>
Other income (expense):			
Interest income (expense), net	448,667	1,648	222,652
Foreign currency gain (loss)	281,534	317,402	(890,252)
Total other income (loss)	<u>730,201</u>	<u>319,050</u>	<u>(667,600)</u>
Net loss	<u>\$ (112,662,027)</u>	<u>\$ (37,127,303)</u>	<u>\$ (53,478,812)</u>
Other comprehensive loss:			
Foreign currency translation	(264,452)	(321,695)	1,496,517
Total comprehensive loss	<u>\$ (112,926,479)</u>	<u>\$ (37,448,998)</u>	<u>\$ (51,982,295)</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (67.99)</u>	<u>\$ (34.88)</u>	<u>\$ (50.61)</u>
Weighted-average common shares outstanding, basic and diluted	<u>1,657,055</u>	<u>1,064,325</u>	<u>1,056,681</u>

See accompanying notes to consolidated financial statements

**Aprea Therapeutics, Inc.**  
**Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity**

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2019	—	—	1,051,137	\$ 1,051	\$ 226,304,519	\$ (11,533,778)	\$ (90,528,263)	\$ 124,243,530
Exercise of stock options	—	—	8,203	8	150,941	—	—	150,949
Stock-based compensation	—	—	—	—	4,983,023	—	—	4,983,023
Foreign currency translation	—	—	—	—	—	1,496,517	—	1,496,517
Net loss	—	—	—	—	—	—	(53,478,812)	(53,478,812)
Balance at December 31, 2020	—	—	1,059,340	\$ 1,059	\$ 231,438,483	\$ (10,037,261)	\$ (144,007,075)	\$ 77,395,207
Exercise of stock options	—	—	11,319	11	208,356	—	—	208,367
Vesting of restricted stock units	—	—	3,970	4	(4)	—	—	—
Issuance of common stock pursuant to at-the-market stock sales, net	—	—	18,338	18	1,538,627	—	—	1,538,645
Stock-based compensation	—	—	—	—	7,813,743	—	—	7,813,743
Foreign currency translation	—	—	—	—	—	(321,695)	—	(321,695)
Net loss	—	—	—	—	—	—	(37,127,303)	(37,127,303)
Balance at December 31, 2021	—	—	1,092,967	\$ 1,092	\$ 240,999,206	\$ (10,358,956)	\$ (181,134,378)	\$ 49,506,964
Vesting of restricted stock units	—	—	21,251	21	(21)	—	—	—
Issuance of preferred stock upon acquisition of Atrin	2,949,630	\$ 68,777,468	—	—	—	—	—	—
Issuance of common stock upon acquisition of Atrin	—	—	55,869	56	1,329,643	—	—	1,329,699
Value of assumed stock options	—	—	—	—	2,602,850	—	—	2,602,850
Issuance of common stock pursuant to at-the-market stock sales, net	—	—	38,481	39	682,934	—	—	682,973
Conversion of preferred stock into common stock	(2,893,403)	(67,466,405)	1,446,701	1,447	67,464,958	—	—	67,466,405
Stock-based compensation	—	—	—	—	16,981,266	—	—	16,981,266
Foreign currency translation	—	—	—	—	—	(264,452)	—	(264,452)
Net loss	—	—	—	—	—	—	(112,662,027)	(112,662,027)
Balance at December 31, 2022	<u>56,227</u>	<u>\$ 1,311,063</u>	<u>2,655,269</u>	<u>\$ 2,655</u>	<u>\$ 330,060,836</u>	<u>\$ (10,623,408)</u>	<u>\$ (293,796,405)</u>	<u>\$ 25,643,678</u>

See accompanying notes to consolidated financial statements.

**Aprea Therapeutics, Inc.**  
**Consolidated Statements of Cash Flows**

	Year Ended December 31,		
	2022	2021	2020
<b>Cash flows from operating activities:</b>			
Net loss	\$ (112,662,027)	\$ (37,127,303)	\$ (53,478,812)
Adjustments to reconcile net loss to net cash used in operating activities:			
Acquired in-process research and development	72,523,293	—	
Depreciation and amortization	4,403	12,829	28,834
Stock-based compensation	16,981,266	7,813,743	4,983,023
Amortization of right of use lease asset	182,042	258,848	200,776
Foreign currency gain	(281,534)	(317,402)	890,252
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	2,190,086	(109,338)	(472,402)
Accounts payable	(858,513)	(2,730,587)	2,326,767
Accrued expenses and other liabilities	(2,903,450)	(5,218,241)	3,928,684
Lease liability	(186,702)	(268,728)	(209,794)
Net cash used in operating activities	(25,011,136)	(37,686,179)	(41,802,672)
<b>Cash flows from investing activities:</b>			
Purchases of property and equipment	—	—	(25,709)
Net cash used in investing activities	—	—	(25,709)
<b>Cash flows from financing activities:</b>			
Proceeds from the exercise of stock options	—	208,367	150,949
Proceeds from at-the-market sales of common stock, net	682,973	1,538,645	—
Net cash provided by financing activities	682,973	1,747,012	150,949
Decrease in cash and cash equivalents	(24,328,163)	(35,939,167)	(41,677,432)
Effect of exchange rate changes on cash	38,758	(2,467)	606,249
Cash and cash equivalents—beginning of year	53,076,052	89,017,686	130,088,869
Cash and cash equivalents—end of period	<u>\$ 28,786,647</u>	<u>\$ 53,076,052</u>	<u>\$ 89,017,686</u>
<b>Non-cash investing and financing activities:</b>			
Operating lease liabilities arising from obtaining right-of-use assets	\$ 123,786	\$ 124,043	\$ —
Issuance of convertible preferred stock and common stock in connection with acquisition	70,107,167		

See accompanying notes to consolidated financial statements.



**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

**1. Nature of business and basis of presentation**

**Nature of business**—Aprea Therapeutics, Inc. (or the “Company”) is a clinical-stage biopharmaceutical company focused on developing and commercializing novel cancer therapeutics targeting DNA damage response pathways. The Company began principal operations in 2006 and is headquartered in Doylestown, Pennsylvania. Prior to the acquisition of Atrin Pharmaceuticals Inc. (“Atrin”), the Company was engaged in the clinical development of cancer therapeutics that reactivate the mutant p53 tumor suppressor protein. In December 2020, the Company announced that its pivotal Phase 3 myelodysplastic syndromes trial failed to meet its predefined primary endpoint of complete remission (CR) rate. Given these results, FDA feedback and the costs of continuing the APR-246 development program, the Company shifted focus of its activities to the assets acquired in the May 16, 2022 acquisition of Atrin (see Note 3). The Company’s lead product candidate, which was acquired in the Atrin acquisition, is ATRN-119, a Phase 1-ready small molecule ATR inhibitor being developed for solid tumor indications.

**Agreement and plan of merger**—On May 16, 2022, the Company acquired Atrin (the “Atrin Acquisition”). Under the terms of the Agreement and Plan or Merger dated May 16, 2022 (the “Merger Agreement”), the Company issued to the stockholders of Atrin 55,869 shares of the Company’s common stock, par value \$0.001 per share, and 2,949,630 shares of Series A Non-Voting Convertible Preferred Stock (“Series A Preferred Stock”) (as described below). The Series A Preferred Stock had a conversion value on the closing date of \$68.8 million. In addition, the Company assumed options granted under the Atrin stock option plan, which became options to purchase 163,757 shares of the Company’s common stock. See Note 3 for additional information.

**Series A Preferred Stock**—In connection with the Atrin Acquisition, the Company issued 2,949,630 shares of Series A Preferred Stock. Each share of Series A Preferred Stock is convertible into 10 shares of common stock.

The Company held a stockholders’ meeting on July 28, 2022 where approval of the conversion of the Series A Preferred Stock into shares of the Company’s common stock in accordance with Nasdaq Listing Rule 5635(a) was received. A majority of the Series A Preferred Stockholders elected to convert their Series A Preferred Stock into common stock during the second half of 2022 (see Note 9).

**Basis of presentation and management plans**—The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”). The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Since its inception, the Company has devoted substantially all of its efforts to business planning, research and development, recruiting management and technical staff, and raising capital, and has financed its operations through the issuance of convertible preferred stock and common stock.

The Company is subject to risks common to companies in the biopharmaceutical industry. There can be no assurance that the Company’s research and development will be successfully completed, that adequate protection for the Company’s intellectual property will be maintained, that any therapeutic products developed will obtain required regulatory approval or that any approved or consumer products will be commercially viable. Even if the Company’s development efforts are successful, it is uncertain when, if ever, the Company will generate significant product sales.

The Company believes that the December 31, 2022 cash balance of approximately \$28.8 million combined with the net proceeds received from the Company’s public offering of common stock in February 2023 (see Note 12) will be sufficient to fund the Company’s operations into the third quarter of 2024. In the event that additional funds are not available thereafter, management would expect to significantly reduce expenditures to conserve cash, which would involve scaling back or curtailing new development activity.

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

## 2. Summary of significant accounting policies

**Principles of consolidation**—The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries Aprea Therapeutics AB, which was incorporated in May 2009, Aprea US, Inc., which was incorporated in June 2016 and ATR Merger Sub II LLC which was incorporated in May 2022. Management has concluded it has a single reporting segment for purposes of reporting financial condition and results of operations. All intercompany transactions and balances have been eliminated.

**Use of estimates**—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses as of and during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company assesses estimates on an ongoing basis; however, actual results could materially differ from those estimates. Significant items subject to such estimates and assumptions, are used for, but not limited to, include stock-based compensation and accounting for research and development costs.

**Foreign currency and currency translation**—The functional currency for Aprea Therapeutics AB is the Swedish Krona. Assets and liabilities of Aprea Therapeutics AB are translated into United States dollars at the exchange rate in effect on the balance sheet date. Operating expenses are translated at the average exchange rate in effect during the period. Unrealized translation gains and losses are recorded as a cumulative translation adjustment, which is included in the consolidated statements of stockholders' equity as a component of accumulated other comprehensive loss. Adjustments that arise from exchange rate changes on transactions denominated in a currency other than the local currency are included in other income (expense), net in the condensed consolidated statements of operations and comprehensive loss as incurred.

**Concentrations of credit risk**—Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash. Periodically, the Company may maintain deposits in financial institutions in excess of government insured limits. Management believes that the Company is not exposed to significant credit risk as the Company's deposits are held at financial institutions that management believes to be of high credit quality, and the Company has not experienced any losses on these deposits.

**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 equivalents.

**Property and equipment**—Property and equipment are recorded at cost. Expenditures for repairs and maintenance are expensed as incurred. When assets are retired or disposed of, the assets and related accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in the determination of net income or loss. Fixed assets acquired for research and development purposes are assessed for alternative future use. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset.

<b>Asset category</b>	<b>Estimated useful life</b>
Computer equipment and software	3 years
Furniture and fixtures	7 years
Laboratory equipment and office furniture	7 years
Leasehold improvements	Remainder of lease term

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**Impairment of long-lived assets**—Periodically, the Company evaluates its long-lived assets, which consist primarily of property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. To date, no impairments have occurred.

**Fair value of financial instruments**—The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the price that would be received upon sale of an asset or paid to transfer a liability between market participants at measurement dates. ASC Topic 820, Fair Value Measurement (“ASC 820”), establishes a three-level valuation hierarchy for instruments measured at fair value. The hierarchy is based on the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy defines three levels of valuation inputs, of which the first two are considered observable and the last is considered unobservable:

- Level 1 inputs: Quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs: Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.
- Level 3 inputs: Unobservable inputs developed using estimates or assumptions developed by the Company, which reflect those that a market participant would use in pricing the asset or liability.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The Company’s financial instruments consist of cash and cash equivalents and accounts payable. The carrying amount of accounts payable is considered a reasonable estimate of fair value due to the short-term maturity.

**Accounting for leases**—The Company adopted the Lease standard (ASC 842) effective January 1, 2019, using the modified retrospective method. The new standard provided a number of optional practical expedients in transition. The Company elected to apply the ‘package of practical expedients’ which allowed them to not reassess (i) whether existing or expired arrangements contain a lease, (ii) the lease classification of existing or expired leases, or (iii) whether previous initial direct costs would qualify for capitalization under the new lease standard. The Company also elected to apply (i) the practical expedient which allows them to not separate lease and non-lease components, for new leases entered into after adoption and (ii) the short-term lease exemption for all leases with an original term of less than 12 months, for purposes of applying the recognition and measurements requirements in the new standard.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on specific facts and circumstances, the existence of an identified asset(s), if any, and the Company’s control over the use of the identified asset(s), if applicable. Operating lease liabilities and their corresponding right-of-use assets are recorded based on the present value of future lease payments over the expected lease term. The interest rate implicit in lease contracts is typically not readily determinable. As such, the Company utilizes the incremental borrowing rate, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. The Company’s incremental borrowing rate ranged from approximately 3.0% to 4.3% based on the remaining lease term of the applicable leases.

The Company has elected not to separate lease and non-lease components as a single component. Operating leases are recognized on the balance sheet as right of use (ROU) lease assets, lease liabilities current and lease liabilities non-current. Fixed rents are included in the calculation of the lease balances while variable costs paid for certain

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

operating and pass-through costs are excluded. Lease expense is recognized over the expected term on a straight-line basis.

**Research and development costs**—Research and development costs are charged to expense as incurred. Research and development expenses incurred in performing research and development activities, include salaries and benefits, materials and supplies, preclinical expenses, stock-based compensation expense, depreciation of equipment, contract services, and other outside expenses. Costs for certain development activities are recognized based on an evaluation of the progress to completion of specific tasks using or information provided to the Company by its vendors on their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the financial statements as prepaid or accrued research and development.

**Stock-based compensation**—The Company measures stock options and other stock-based awards granted to employees and directors based on their fair value on the date of the grant and recognize compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. The Company applies the straight-line method of expense recognition to all awards with only service based vesting conditions.

For stock-based awards granted to non-employees, compensation expense is recognized over the period during which services are rendered by such non-employees until completed in accordance with the FASB issued ASU No. 2018-07, Compensation Stock Compensation (Topic 718): Improvements to Nonemployee Share Based Payment Accounting. The new standard largely aligns the accounting for share based payment awards issued to employees and nonemployees by expanding the scope of ASC 718 to apply to nonemployee share based transactions, as long as the transaction is not effectively a form of financing.

The Company estimates the fair value of each stock option grant on the date of grant using the Black Scholes option pricing model, which uses as inputs the fair value of the Company's common stock and assumptions the Company makes for the volatility of its common stock, the expected term of its stock options, the risk-free interest rate for a period that approximates the expected term of its stock options and its expected dividend yield. The Company elects to account for forfeitures when they occur.

The Company also awards restricted stock units ("RSUs") to employees and directors. RSUs are generally subject to forfeiture if employment terminates prior to the completion of the vesting restrictions. The Company expenses the cost of the RSUs, which is determined to be the fair market value of the shares of common stock underlying the RSUs at the date of grant, ratably over the period during which the vesting restrictions lapse.

**Income taxes**—The Company accounts for income tax in accordance with ASC 740-10, Income Taxes ("ASC 740-10"), which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's financial statements and tax returns. Deferred tax assets and liabilities are determined based upon the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and for loss and credit carryforwards, using enacted tax rates expected to be in effect in the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if it is more likely than not that these assets may not be realized. The Company determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more likely than not that a position will be sustained, none of the benefit attributable to the position is recognized. The tax benefit to be recognized for any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. The Company accounts for interest and penalties related to uncertain tax positions as part of its provision for income taxes.

**Net loss per share**—The Company has reported losses since inception and has computed basic net loss per share attributable to common stockholders by dividing net loss attributable to common stockholders by the weighted-average number of common shares outstanding for the period, without consideration for potentially dilutive securities. The Company computes diluted net loss per common share after giving consideration to all potentially dilutive common shares, including options to purchase common stock, outstanding during the period determined using the treasury-stock

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

and if-converted methods, except where the effect of including such securities would be antidilutive. Because the Company has reported net losses since inception, these potential common shares have been anti-dilutive and basic and diluted loss per share have been the same.

The following table sets forth the potentially dilutive securities that have been excluded from the calculation of diluted net loss per share because to include them would be anti-dilutive (in common stock equivalent shares):

	Year ended December 31,		
	2022	2021	2020
Convertible preferred stock	56,227	—	—
Options to purchase common stock	480,274	229,308	188,552
Unvested restricted stock units	12,734	19,985	—
Total shares of common stock equivalents	<u>549,235</u>	<u>249,293</u>	<u>188,552</u>

**Acquired in-process research and development**---The Company measures and recognizes asset acquisitions that are not deemed to be business combinations based on the cost to acquire the assets, including transaction costs. In an asset acquisition, the cost allocated to acquire in-process research and development (“IPR&D”) with no alternative future use is charged to expense at the allocation date. See Note 3 – “Acquisition of Atrin” for additional information.

**Recently issued accounting pronouncements**---From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) or other standard setting bodies that the Company adopts as of the specified effective date.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material impact on the accompanying financial statements.

### 3. Acquisition of Atrin Pharmaceuticals

On May 16, 2022, the Company completed its acquisition of Atrin in accordance with the terms of the Merger Agreement as described in Note 1 – “Nature of business and basis of presentation”. Under the terms of the Merger Agreement, the Company issued 55,869 shares of common stock and 2,949,630 shares of Series A Preferred Stock. Each share of Series A Preferred Stock is convertible into 10 shares of Common Stock. A majority of the Series A Preferred Stockholders elected to convert their Series A Preferred Stock into common stock during the second half of 2022 (see Note 9).

The Company concluded the Atrin acquisition was not the acquisition of a business, as substantially all of the fair value of the non-monetary assets acquired was concentrated in a single identifiable asset, ATRN-119.

The Company determined that the cost to acquire the Atrin assets was \$76.2 million, based on the fair value of the equity consideration issued and including direct costs of the acquisition of \$3.5 million. The net assets acquired in connection with the Atrin acquisition were recorded at their estimated fair values as of May 16, 2022, which is the date the Atrin acquisition was completed. The following table summarizes the net assets acquired based on their estimated fair values as of May 16, 2022:

Acquired IPR&D	\$ 76,020,184
Cash and cash equivalents	2,489,745
Prepaid expenses and other assets	34,579
Accounts payable and accrued liabilities	(2,336,462)
Total Acquisition Value	<u>\$ 76,208,046</u>

The Atrin acquisition was accounted for as an asset acquisition as Atrin was not considered to be a business under ASC 805 or SEC Rule 11-01(d). In the estimation of fair value of the asset purchase consideration, the Company used the carrying value of the cash and cash equivalents, prepaid expenses, accounts payable, and accrued liabilities as the most

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

reliable indicator of fair value based on the associated short-term nature of the balances. The remaining fair value was attributable to the acquired IPR&D. Since Atrin was in preclinical development and no clinical trials had commenced at the time of the acquisition, the cost attributable to the IPR&D was expensed in the Company's consolidated statements of operations and comprehensive loss for the year ended December 31, 2022, as the acquired IPR&D had no alternative future use, as determined by the Company in accordance with U.S. GAAP.

As a result of the Atrin acquisition, the Company announced in May 2022 it was closing its research facility in Sweden and reducing its related workforce in Sweden. The closure of the Swedish research facility and the reduction in workforce resulted in total expenses for employee severance and employee benefits of approximately \$1.1 million, of which was recorded as of May 16, 2022. As of December 31, 2022, the remaining liability is approximately \$0.1 million.

In connection with the Atrin acquisition, a non-transferable contingent value right (a "CVR") was distributed to the Aprea stockholders of record as of the close of business on May 13, 2022. Holders of the CVR will be entitled to receive certain stock and/or cash payments from proceeds received by the Company, if any, related to the disposition of its legacy assets in the 2 year period following the closing of the transaction. The CVR had a de minimis value as of both May 16, 2022 and December 31, 2022.

#### 4. Property and equipment

Property and equipment consist of the following:

	December 31,	
	2022	2021
Lab equipment	\$ 40,133	\$ 90,770
Furniture & Fixtures	—	31,152
Computer equipment	5,258	18,955
Property and equipment, at cost	45,391	140,877
Less accumulated depreciation and amortization	(43,070)	(117,007)
Property and equipment—net	<u>\$ 2,321</u>	<u>\$ 23,870</u>

Depreciation expense for years ended December 31, 2022, 2021 and 2020 was \$4,403, \$12,829, \$28,834, respectively.

#### 5. Fair value measurements

The Company's financial instruments consist of cash and cash equivalents and accounts payable. The carrying amount of accounts payable is considered a reasonable estimate of fair value due to the short-term maturity.

The accounting standard for fair value measurements provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. Fair value is defined as the proceeds that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date.

All fair value measurements are classified in the three-tier fair value hierarchy, which categorizes the inputs used in measuring fair value. These categories include (in descending order of priority) Level 1, defined as observable inputs, such as quoted prices in active markets for identical securities; Level 2, defined as inputs other than quoted prices included in Level 1 that are either directly or indirectly observable; and Level 3, defined as significant unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions.

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

**6. Leases**

During 2022, the Company was party to three operating leases for office and laboratory space. The Company's finance leases are immaterial both individually and in the aggregate. The Company has elected to apply the short-term lease exception to all leases of one year or less. Rent expense for years ended December 31, 2022, 2021 and 2020 was \$329,673, \$342,550 and \$327,205, respectively, which are included in operating expenses.

The Company had an operating lease in Boston, Massachusetts for office space which expired in December 2022. The Company also had an operating lease for office and laboratory space in Solna, Sweden which was terminated effective November 30, 2022. The Company also has an annual operating lease for office and laboratory space in Doylestown, Pennsylvania which was renewed for 2023 and is currently set to expire on December 31, 2023. Rent expense under this lease is \$101,000 annually and the company has applied the short-term exception to this lease. The Company has no lease obligations beyond 2023.

Quantitative information regarding the Company's leases for the years ended December 31, 2022, 2021 and 2020 is as follows:

Lease Cost	Year ended December 31,		
	2022	2021	2020
Operating lease cost	\$ 233,628	\$ 236,364	\$ 226,275
<b>Other Information</b>			
Operating cash flows paid for amounts included in the measurement of lease liabilities	\$ 245,584	\$ 255,078	\$ 251,636
Operating lease liabilities arising from obtaining right-of-use assets	\$ 123,786	\$ 124,043	\$ -
Weighted average remaining lease term (years)	—	0.50-1.00	1.00-1.50
Weighted average discount rate	3.0 - 4.3%	3.0 - 4.3%	3.0 - 4.3%

As most of the Company's leases do not provide an implicit rate, the Company used its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company uses the incremental borrowing rate on January 1, 2019 for operating leases that commenced prior to that date.

**7. Accrued expenses**

Accrued expenses consist of the following:

	December 31, 2022	December 31, 2021
Professional fees	\$ 75,012	\$ 247,123
Compensation and benefits	1,397,977	1,418,309
Research and development	688,858	3,504,375
Other	196,485	183,189
Total accrued expenses	\$ 2,358,332	\$ 5,352,996

**8. Income taxes**

Components of income taxes consist of the following:

	Year ended December 31,		
	2022	2021	2020
Foreign	\$ (6,377,901)	\$ (13,229,828)	\$ (27,215,385)
Domestic	(106,284,126)	(23,897,475)	(26,263,427)
Net loss	\$ (112,662,027)	\$ (37,127,303)	\$ (53,478,812)



**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

A reconciliation of the effect of applying the federal statutory rate to the net loss and the effective income tax rate:

	<b>Year ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
Earnings in jurisdictions taxed at rates different from the statutory U.S. federal tax rate	— %	(0.1)%	0.2 %
Permanent differences	(0.6)%	— %	1.7 %
Section 162(m) limitation	(2.5)%	— %	— %
In-process research and development	(13.5)%	— %	— %
Changes in valuation allowance	(3.7)%	(18.2)%	(22.5)%
Other	(0.7)%	(2.7)%	(0.4)%
Effective income tax rate	<u>— %</u>	<u>— %</u>	<u>— %</u>

Significant components of the Company's deferred taxes as of December 31, 2022 and 2021 are as follows:

	<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>
Deferred tax assets:		
Net operating loss carryforward	\$ 38,839,281	\$ 38,773,870
Stock compensation	2,309,828	3,341,338
Amortization	118,259	—
Capitalized R&D costs	2,362,347	—
Lease liability	—	47,677
Gross deferred tax assets	<u>43,629,715</u>	<u>42,162,885</u>
Valuation allowance	(43,629,689)	(42,115,543)
Total deferred tax assets	<u>26</u>	<u>47,342</u>
Deferred tax liabilities:		
Fixed assets	(26)	(818)
Right of use asset	—	(46,524)
Total deferred tax liabilities	<u>(26)</u>	<u>(47,342)</u>
Net deferred tax assets (liabilities)	<u>\$ —</u>	<u>\$ —</u>

The Company has no income tax expense due to operating losses incurred for the years ended December 31, 2022, 2021 and 2020, respectively. The Company has provided a valuation allowance for the full amount of the net deferred tax assets as, based on all available evidence, it is considered more likely than not that all the recorded deferred tax assets will not be realized in a future period. At December 31, 2022, the Company has \$117.2 million, \$53.8 million, and \$53.5 million of foreign, federal and state net operating loss carryforwards, respectively, that expire at various dates through 2037. Certain of these foreign, federal and state net operating loss carryforwards may be subject to Internal Revenue Code Section 382 or similar provisions, which impose limitations on their utilization.

The valuation allowance increased in 2022 and 2021 by \$1.5 million and \$8.6 million, respectively due to the increase in the deferred tax assets by the same amounts; primarily due to net operating loss carryforwards. Realization of the future tax benefits is dependent on many factors, including the Company's ability to generate taxable income within the net operating loss carryforward period. Under the provisions of the U.S. Internal Revenue Code and Sweden tax law, certain changes in the Company's ownership, including a sale of the Company or significant changes in ownership due to sales of equity, may have limited, or may limit in the future, the amount of net operating loss carryforwards that could be used annually to offset future taxable income. For U.S. and Swedish income tax purposes, the Company has not completed a study to assess whether a change of control has occurred or whether there have been changes of control since the Company's formation due to the complexity and cost associated with such study and because there could be additional changes in control in the future. As a result, the Company is not able to estimate the effect of the change in control, if any, on the Company's ability to utilize U.S. or Swedish net operating losses or other tax attribute carryforwards in the

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

future. For Swedish income tax purposes, the Company's net operating losses may be subject to limitations in accordance with the country's group contribution restriction laws.

The Company files tax returns in Sweden, the United States, Massachusetts and Pennsylvania. Income tax returns prior to 2019 in the United States and Massachusetts are no longer subject to examination and income tax returns prior to 2016 are no longer subject to examination in Sweden. The Company is not currently under examination by the IRS or any other jurisdictions for any tax years.

In June 2018, Sweden passed laws on changes to the Swedish regulations on corporate income taxation. The law applies from January 1, 2019. Among other things, the changes decrease the corporate income tax rate in two steps from 22% to 21.4% as of January 1, 2019 and 20.6% as of January 1, 2020. U.S. GAAP requires companies to revalue their deferred tax assets and deferred tax liabilities as of the date of enactment, with the resulting tax effects accounted for in the reporting period of enactment. The Company previously accounted for the change in rate in 2020 which resulted in offsetting changes to tax expense and the valuation allowance.

As tax law is complex and often subject to varied interpretations, it is uncertain whether some of the Company's tax positions will be sustained upon examination. Tax liabilities associated with uncertain tax positions represent unrecognized tax benefits, which arise when the estimated benefit recorded in the Company's financial statements differs from the amounts taken or expected to be taken in a tax return because of the uncertainties described above. Substantially all of these unrecognized tax benefits, if recognized, would benefit the Company's effective income tax rate.

As of December 31, 2022, 2021 and 2020, the Company had approximately \$0.1 million, \$0.1 million and \$0.8 million of liabilities, respectively, related to uncertain tax positions. As the Company's uncertain tax positions can be offset by available net operating losses, the Company did not recognize interest and penalties for 2022, 2021 and 2020.

For tax years beginning after January 1, 2022, U.S. Corporations are now mandated to capitalize direct research and development costs and costs deemed incidental to research under Section 174 of the tax code. For the year ended December 31, 2022 the Company has capitalized approximately \$8.6 million of costs deemed direct or incidental to research and development.

## **9. Stockholders' equity**

The total number of shares of all classes of capital stock that the Company is authorized to issue is 440,000,000 shares, consisting of 400,000,000 shares of common stock, par value \$0.001 per share and 40,000,000 shares of preferred stock, par value \$0.001 per share.

### *Reverse Stock Split*

See Note 12 – Subsequent events for further information.

### *Conversion of Series A Preferred Stock*

As discussed in Note 1 and Note 3, the Company issued to the shareholders of Atrin 2,949,630 shares of Series A Preferred Stock as partial consideration of the Atrin acquisition. Each share of Series A Preferred Stock is convertible into 10 shares of common stock. The Company held a stockholders' meeting on July 28, 2022 where approval of the conversion of the Series A Preferred Stock into shares of the Company's common stock in accordance with Nasdaq Listing Rule 5635(a) was received. As of December 31, 2022, a total of 2,893,403 shares of Series A Preferred Stock was converted into 1,446,701 shares of common stock. As of December 31, 2022, a total of 56,227 shares of Series A Preferred Stock remained outstanding.

### *Common Stock*

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The holders of common stock are entitled to one vote for each share of common stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, after the payment or provision for payment of all debts and liabilities of the Company, the holders of common stock shall be entitled to share in the remaining assets of the Company available for distribution, if any.

*Shelf Registration Statement*

On November 12, 2020, the Company filed a universal shelf registration statement with the SEC for the issuance of common stock, preferred stock, warrants, rights, debt securities and units up to an aggregate of \$350.0 million. On November 30, 2020, the Shelf Registration Statement was declared effective by the SEC. The universal shelf registration statement includes an at-the-market (“ATM”) offering program and the Company filed a Prospectus Supplement dated September 2, 2022, for the sale of up to \$14,744,728 of shares of the Company’s common stock pursuant to its ATM offering program. The Company agreed to pay a commission of 3% of the gross proceeds of any common stock sold in connection with the ATM offering program. During the year ended December 31, 2022, the Company issued and sold 38,481 shares of common stock under the ATM offering program resulting in net proceeds to the Company of approximately \$0.7 million. During the year ended December 31, 2021, the Company issued and sold 18,338 shares of common stock under the ATM offering program resulting in net proceeds to the Company of approximately \$1.5 million. The Company did not sell any common stock under the ATM offering program during the year ended December 31, 2020.

**10. Stock option plans**

In September 2019, the Company’s Board of Directors approved the 2019 Equity Incentive Plan (the “2019 Plan”) and each outstanding option to purchase Aprea AB ordinary shares pursuant to a previous plan was cancelled and the Company issued to each holder of such Aprea AB option, a substitute option to purchase, on the same terms and conditions as were applicable to such Aprea AB option, shares of the Company’s common stock pursuant to the 2019 Plan.

The Board of Directors has the discretion to provide for accelerated vesting under the 2019 Plan. At December 31, 2022, there were 87,856 shares available for future grant under the 2019 Plan.

The Company recorded stock-based compensation expense of \$16,981,266, \$7,813,743 and \$4,983,023 during the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022, there was \$487,730 of unrecognized compensation cost related to nonvested share-based compensation arrangements granted under the 2019 Plan, which is expected to be recognized over a weighted-average period of approximately 3.6 years.

The fair value of each option award is estimated on the date of grant using Black-Scholes, with the assumptions noted in the table below. Expected volatility for the Company’s common stock was determined based on an average of the historical volatility of a peer group of similar public companies. The expected term of options granted to employees was calculated using the simplified method, which represents the average of the contractual term of the option and the weighted-average vesting period of the option. The Company uses the simplified method because it does not have sufficient historical option exercise data to provide a reasonable basis upon which to estimate expected term. The contractual life of the option was used for the expected life of options granted to non-employee. The assumed dividend yield is based upon the Company’s expectation of not paying dividends in the foreseeable future. The risk-free rate for periods within the expected life of the option is based upon the Swedish Government Bond Rate in effect at the time of grant.

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The assumptions used in Black-Scholes are as follows:

	Year ended December 31,		
	2022	2021	2020
Expected volatility	84.4%-89.6%	88.1%-90.2%	78.9% -83.8%
Risk-free rate	1.95%-2.69%	0.96%-1.04%	0.36% -1.43%
Expected dividend yield	0%	0%	0%
Expected term in years	6.08-10.00	5.50 - 6.08	5.50 - 6.08

A summary of option activity under the Plan during the years ended December 31, 2022, 2021 and 2020 are as follows:

	Number of options	Weighted- average exercise price per share	Weighted average remaining contractual term (in years)	Aggregate intrinsic value
Outstanding at January 1, 2020	174,975	\$ 109.80	7.5	
Granted	22,340	710.13		
Exercised	(8,203)	18.33		
Cancelled/Forfeited	(560)	775.60		
Outstanding at December 31, 2020	188,552	\$ 182.00	6.8	
Granted	58,980	117.40		
Exercised	(11,319)	18.40		
Cancelled/Forfeited	(6,905)	330.60		
Outstanding at December 31, 2021	229,308	\$ 169.00	6.6	
Granted	96,798	31.40		
Options assumed in Atrin merger	163,733	14.21		
Exercised	—	—		
Cancelled/Forfeited	(9,565)	118.60		
Outstanding at December 31, 2022	480,274	\$ 89.49	6.8	\$
Exercisable at December 31, 2022	447,721	\$ 94.41	6.1	\$
Vested or expected to vest at December 31, 2022	480,274	\$ 89.49	6.8	\$

The weighted-average grant date fair value of options granted during the years ended December 31, 2022, 2021 and 2020, was \$23.68, \$85.82 and \$484.02, per share, respectively.

*Restricted Stock Units*

During the year ended December 31, 2022, the Company granted a total of 9,320 RSUs to executive officers of the Company which vest ratably on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> anniversaries of the grant date. During the year ended December 31, 2022, the Company granted a total of 3,418 RSUs to non-employee directors of the Company. These RSUs vest on the one-year anniversary of the grant date. During the year ended December 31, 2022, the Company granted a total of 11,330 RSUs to executive officers and certain other employees of the Company which vest ratably on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> anniversaries of the grant date. These RSUs vested on May 16, 2022 in connection with the acquisition of Atrin.

During the year ended December 31, 2021, the Company granted a total of 25,000 RSUs to executive officers and certain other employees of the Company, 800 of which were canceled prior to vesting. The remaining RSUs vested on May 16, 2022 in connection with the acquisition of Atrin. During the year ended December 31, 2021, the Company granted a total of 1,152 RSUs to non-employee directors of the Company. These RSUs vested on May 16, 2022 in connection with the acquisition of Atrin.

As of December 31, 2022, there was \$243,709 of unrecognized compensation cost related to RSUs granted under the 2019 Plan, which is expected to be recognized over a weighted-average period of approximately 2.6 years.

**Aprea Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements (continued)**

The following table shows restricted stock unit activity during the year ended December 31, 2022:

	Shares	Weighted- average grant date fair value
Restricted stock units outstanding at December 31, 2020	—	\$ —
Granted	26,150	118.20
Vested	(5,365)	118.80
Cancelled/Forfeited	(800)	120.00
Outstanding at December 31, 2021	19,985	\$ 118.20
Granted	24,064	28.68
Vested	(30,981)	88.21
Cancelled/Forfeited	(334)	114.60
Outstanding at December 31, 2022	12,734	\$ 21.80

### 11. Commitments and contingencies

The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. As of December 31, 2022, the Company has not recorded a provision for any contingent losses.

### 12. Subsequent events

#### *Reverse Stock Split*

On February 10, 2023, the Company effectuated a one-for-twenty reverse stock split of its outstanding shares of common stock (the "Reverse Stock Split"). The Reverse Stock Split reduces the Company's shares of outstanding common stock, stock options and RSU's. Fractional shares of common stock that would have otherwise resulted from the Reverse Stock Split were rounded down to the nearest whole share and cash in lieu of payments were made to stockholders. All share and per share data for all periods presented in the accompanying financial statements and the related disclosures have been adjusted retrospectively to reflect the Reverse Stock Split. The number of authorized shares of common stock and the par value per share remains unchanged.

#### *Common Stock Offering*

On February 27, 2023, the Company completed an underwritten public offering of 1,050,000 shares of its common stock at a public offering price of \$5.25 per share. Gross proceeds from the offering before deducting underwriting discounts and commissions and offering expenses are approximately \$5.5 million before deducting underwriting discounts and offering expenses.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A. Controls and Procedures**

#### **Disclosure Controls and Procedures**

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, mean controls and other procedures of a company that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2022, our chief executive officer and chief financial officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable level.

#### **Management's Annual Report on Internal Controls Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control system was designed 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 in the United States. Due to inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of the internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate. Our management, under the supervision and with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our internal control over financial reporting as of the end of the period covered by this Annual Report on Form 10-K based on the framework in Internal Control---Integrated Framework (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. Based on such evaluation, our management concluded that our internal control over financial reporting was effective as of the end of the period covered by this Annual Report on Form 10-K.

This Annual Report on Form 10-K does not include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. Our auditors will not be required to opine on the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 until we are no longer an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012.

#### **Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **Item 9B. Other Information**

*We are reporting the following information in lieu of reporting on a Current Report on Form 8-K under Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.*

On March 28, 2023, Gregory A. Korbel, Ph.D., the Company's Senior Vice President and Chief Operating Officer, and the Company reached a mutual understanding concerning the cessation of Mr. Korbel's employment with the Company. In connection with the foregoing, on March 28, 2023 Mr. Korbel and the Company entered into a Separation Agreement and General Release (the "Separation Agreement"), pursuant to which Mr. Korbel will cease serving as the Company's Senior Vice President and Chief Operating Officer and an employee of the Company effective March 31, 2023 (the "Separation Date"). During the period beginning on the Separation Date and ending on April 30, 2023 (the "Transition Period"), Mr. Korbel has agreed to assist the Company as may be reasonably necessary to ensure a smooth transition of his duties and responsibilities. Subject to Mr. Korbel's non-revocation of a release of claims, continued compliance with the restrictive covenants set forth in his employment agreement, and compliance with the terms of the Separation Agreement, Mr. Korbel will receive \$195,000 payable in equal parts over a six (6) month period beginning on the first payroll date after the effective date of the Separation Agreement, less standard payroll deductions and applicable withholdings.

The forgoing description of the Separation Agreement is qualified in its entirety by the full text of the Separation Agreement, which is filed as Exhibit 10.16 hereto and is incorporated herein by reference.

## **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Rule 14A.

### **Item 11. Executive Compensation**

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Rule 14A.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Rule 14A.

### **Item 13. Certain Relationships and Related Transactions and Director Independence**

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Rule 14A.

### **Item 14. Principal Accounting Fees and Services**

The information required by this item will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from our definitive proxy statement to be filed pursuant to Rule 14A.



## PART IV

### Item 15. Exhibits, Financial Statement Schedules

The following documents are filed as part of this Annual Report on Form 10-K:

#### (1) Financial Statements

The information concerning our consolidated financial statements, and Report of Independent Registered Public Accounting Firm required by this Item is incorporated by reference herein to the section of this Annual Report on Form 10-K in Item 8, entitled “Financial Statements and Supplementary Data.”

#### (2) Financial Statement Schedules

All schedules have been omitted because the required information is not present or not present in amounts sufficient to require submission of the schedules, or because the information required is included in the Financial Statements or notes thereto.

#### (3) Exhibits

List of Exhibits required by Item 601 of Regulation S-K.

<u>Exhibit Number</u>	<u>Description of Document</u>
2.1##†	<a href="#">Agreement and Plan of Merger, dated May 16, 2022 by and among Aprea Therapeutics, Inc., ATR Merger Sub I Inc., ATR Merger Sub II LLC and Atrin Pharmaceuticals Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed on May 17, 2022)</a>
3.1##	<a href="#">Amended and Restated Certificate of Incorporation of Aprea Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on October 7, 2019)</a>
3.2##	<a href="#">Certificate of Amendment to Amended and Restated Certificate of Incorporation of Aprea Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on February 13, 2023)</a>
3.3##	<a href="#">Certificate of Designation of Series A Non-Voting Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on May 17, 2022)</a>
3.4##	<a href="#">Amended and Restated Bylaws of Aprea Therapeutics, Inc. (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed on November 6, 2020)</a>
4.1##	<a href="#">Description of Aprea Therapeutics, Inc. Common Stock, \$0.001 par value (incorporated by reference to Exhibit 4.1 to the Annual Report on Form 10-K for the year ended December 31, 2020, filed on March 16, 2021)</a>
10.1##+	<a href="#">Form of 2019 Stock Incentive Plan and form of agreements thereunder (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-1 (File No. 333-233662)).</a>
10.2##+	<a href="#">Form of 2019 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-1 (File No. 333-233662)).</a>

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<u>Exhibit Number</u>	<u>Description of Document</u>
10.3##†	<a href="#"><u>Service Agreement, between Aprea AB and Syngene International Private Limited (incorporated by reference to Exhibit 10.3 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.4##	<a href="#"><u>Amended and Restated Registration Rights Agreement by and among Aprea Therapeutics, Inc. and the shareholders party thereto (incorporated by reference to Exhibit 10.4 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.5##	<a href="#"><u>Form of Registration Rights Agreement, by and among Aprea Therapeutics, Inc. and certain securityholders (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on May 17, 2022)</u></a>
10.6##+	<a href="#"><u>Form of Indemnification Agreement between Aprea Therapeutics, Inc. and each of its directors and executive officers (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.7##+	<a href="#"><u>Employment Agreement between Aprea Therapeutics, Inc. and Christian S. Schade (incorporated by reference to Exhibit 10.6 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.8##+	<a href="#"><u>Form of Executive Employment Agreement (incorporated by reference to Exhibit 10.7 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.9*+	<a href="#"><u>Separation and General Release Agreement between Aprea Therapeutics, Inc. and Christian S. Schade.</u></a>
10.10*+	<a href="#"><u>Employment Agreement between Aprea Therapeutics, Inc. and Eyal Attar</u></a>
10.11*+	<a href="#"><u>Separation and General Release Agreement between Aprea Therapeutics, Inc. and Eyal Attar.</u></a>
10.12##+	<a href="#"><u>Employment Agreement between Aprea Therapeutics, Inc. and Lars Abrahmsen, Ph.D. (incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.13*+	<a href="#"><u>Separation and General Release Agreement between Aprea Therapeutics, Inc. and Lars Abrahmsen.</u></a>
10.14##+	<a href="#"><u>Employment Agreement between Aprea Therapeutics, Inc. and Gregory A. Korbel, Ph.D. (incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.15*+	<a href="#"><u>Retention Letter Agreement between Aprea Therapeutics, Inc. and Gregory A. Korbel, Ph.D.</u></a>
10.16*+	<a href="#"><u>Separation Agreement and General Release between Aprea Therapeutics, Inc. and Gregory A. Korbel, Ph.D.</u></a>
10.17##+	<a href="#"><u>Employment Agreement between Aprea Therapeutics, Inc. and Scott M. Coiante (incorporated by reference to Exhibit 10.10 to the Registration Statement on Form S-1 (File No. 333-233662))</u></a>
10.18*+	<a href="#"><u>Retention Letter Agreement between Aprea Therapeutics, Inc. and Scott M. Coiante.</u></a>
10.19*+	<a href="#"><u>Confidential Severance Agreement and General Release between Aprea Therapeutics, Inc. and Scott M. Coiante</u></a>
10.20*+	<a href="#"><u>Employment Agreement between Aprea Therapeutics, Inc. and Oren Gilad</u></a>
10.21*+	<a href="#"><u>Employment Agreement between Aprea Therapeutics, Inc. and John P. Hamill</u></a>

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<u>Exhibit Number</u>	<u>Description of Document</u>
10.22##†	<a href="#">Master Manufacturing and Supply Agreement, between Aprea Therapeutics AB and Siegfried Hameln GmbH (incorporated by reference to Exhibit 10.11 to the Registration Statement on Form S-1 (File No. 333-233662))</a>
10.23##+	<a href="#">Atrin Pharmaceuticals LLC 2016 Amended and Restated Equity Compensation Plan (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-8 (File No. 333-265411))</a>
10.24##+	<a href="#">Amendment No. 1 to the 2016 Amended and Restated Equity Compensation Plan (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-8 (File No. 333-265411))</a>
21.1*	<a href="#">Subsidiaries of Aprea Therapeutics, Inc.</a>
23.1*	<a href="#">Consent of Independent Registered Public Accounting Firm</a>
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1**	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
32.2**	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.DEF	XBRL Definition Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

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## Previously filed.

\* Filed herewith.

+ Indicates a management contract or compensatory plan.

† Portions of this exhibit have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule to the SEC upon its request; provided, however, that Aprea may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any schedule so furnished.

\*\* The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

**Item 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 30, 2023.

APREA THERAPEUTICS, INC.

By /s/ OREN GILAD

Oren Gilad, Ph.D.

*President and Chief Executive Officer*

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Oren Gilad, his attorney-in-fact, with the power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the SEC, hereby ratifying and confirming all that said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

<b>Signature</b>	<b>Title</b>	<b>Date</b>
<u>/s/ OREN GILAD</u> Oren Gilad, Ph.D.	Chief Executive Officer and President (Principal Executive Officer)	March 30, 2023
<u>/s/ JOHN P. HAMILL</u> John P. Hamill	Chief Financial Officer (Principal Financial and Accounting Officer)	March 30, 2023
<u>/s/ MARC DUEY</u> Marc Duey	Director	March 30, 2023
<u>/s/ MICHAEL GRISSINGER</u> Michael Grissinger	Director	March 30, 2023
<u>/s/ JOHN B. HENNEMAN, III</u> John B. Henneman, III.	Director	March 30, 2023
<u>/s/ RIFAT PAMUKCU.</u> Rifat Pamukcu, M.D.	Director	March 30, 2023
<u>/s/ RICHARD PETERS</u> Richard Peters, M.D., Ph.D.	Director	March 30, 2023
<u>/s/ CHRISTIAN S. SCHADE</u> Christian S. Schade	Director	March 30, 2023
<u>/s/ BERND R. SEIZINGER</u> Bernd R. Seizinger, M.D., Ph.D.	Director	March 30, 2023

**DESCRIPTION OF REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Apra Therapeutics, Inc. has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): its common stock, par value \$0.001 per share (the "common stock"). For purposes of this exhibit, unless the context otherwise requires, the words "we," "our," "us" and "our company" refer to Apra Therapeutics, Inc., a Delaware corporation.

**Description of Common Stock**

**General**

The following summary sets forth some of the general terms of our common stock. Because this is a summary, it does not contain all of the information that may be important to you. For a more detailed description of our common stock, you should read our amended and restated certificate of incorporation and the amended and restated bylaws, each of which is an exhibit to our Annual Report on Form 10-K to which this summary is also an exhibit, and the applicable provisions of the Delaware General Corporation Law (the "DGCL").

Our charter authorizes us to issue up to 400,000,000 shares of common stock, \$0.001 par value per share and 40,000,000 shares of preferred stock, par value \$0.001 per share.

**Voting Rights**

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders will be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Other matters shall be decided by the affirmative vote of our stockholders having a majority in voting power of the votes cast by the stockholders present or represented and voting on such matter, except as otherwise disclosed below.

**Dividends**

Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of outstanding preferred stock.

**Liquidation**

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately all assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock.

**Rights and Preferences**

Holders of common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

**Preferred stock**

Our board of directors is authorized to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

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The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock.

#### **Anti-Takeover effects of Delaware law and our charter and bylaws**

Delaware law, our certificate of incorporation and our bylaws contain provisions that could have the effect of delaying, deferring or discouraging another party from acquiring control of us. These provisions, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors.

#### ***Staggered board; removal of directors***

Our certificate of incorporation and bylaws divides our board of directors into three classes with staggered three-year terms. In addition, a director may only be removed for cause and only by the affirmative vote of the holders of a majority of the votes that all of our stockholders would be entitled to cast in an annual election of directors. Any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, will only be able to be filled by vote of a majority of our directors then in office. The classification of our board of directors and the limitations on the removal of directors and filling of vacancies could make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, control of our company.

#### ***Stockholder action by written consent; special meetings***

Our certificate of incorporation provides that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Our certificate of incorporation and bylaws also provide that, except as otherwise required by law, special meetings of our stockholders can only be called by our chairman of the board, our Chief Executive Officer or our board of directors.

#### ***Advance notice requirements for stockholder proposals***

Our bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of persons for election to our board of directors. Stockholders at an annual meeting are only able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of our board of directors or by a stockholder of record on the record date for the meeting who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying until the next stockholder meeting stockholder actions that are favored by the holders of a majority of our outstanding voting securities.

#### ***Delaware business combination statute***

We are subject to Section 203 of the DGCL. Subject to certain exceptions, Section 203 prevents a publicly held Delaware corporation from engaging in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless the interested stockholder attained such status with the approval of our board of directors or unless the business combination is approved in a prescribed manner. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" and the sale of more than 10% of our assets. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person.

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### ***Amendment of certificate of incorporation and bylaws***

DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Our bylaws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of the holders of at least 75% of the votes that all of our stockholders would be entitled to cast in any annual election of directors. In addition, the affirmative vote of the holders of at least 75% of the votes that all of our stockholders would be entitled to cast in any annual election of directors is required to amend or repeal or to adopt any provisions inconsistent with any of the provisions of our certificate of incorporation described above under "Staggered board; removal of directors" and "Stockholder action by written consent; special meetings."

### ***Exclusive forum selection***

Our certificate of incorporation provides, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware (or if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) shall be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of our company under Delaware law, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or employees to our company or our stockholders, (3) any action asserting a claim against our company arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws, (4) any action asserting a claim against our company governed by the internal affairs doctrine or (5) any other action asserting an "internal corporate claim," as defined in Section 115 of the DGCL. These exclusive-forum provisions do not currently apply to claims under the Securities Act of 1933, as amended, or the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

### ***Listing on The Nasdaq Global Select Market***

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

### ***Authorized but unissued shares***

The authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing requirements of The Nasdaq Global Select Market. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make it more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

### ***Transfer agent and registrar***

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent and registrar's address is 150 Royall St., Canton, MA 02021.

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**SEPARATION AND GENERAL RELEASE AGREEMENT**

This Separation and General Release Agreement (the “Agreement”) is made by and between **Chris Schade** (the “Executive”) and Aprea Therapeutics, Inc. (the “Company”) (collectively, the “Parties”).

**WHEREAS**, the Company and Executive are parties to an Employment Agreement, dated as of September 26, 2019 (the “Employment Agreement”);

**WHEREAS**, the Company is party to an Agreement and Plan of Merger, dated as of May 16, 2022, by and among the Company, ATR Merger Sub I Inc., a Delaware corporation and wholly owned Subsidiary of the Company, ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned Subsidiary of the Company, and Atrin Pharmaceuticals Inc., a Delaware corporation (the “Merger Agreement”);

**WHEREAS**, pursuant to the Merger Agreement, the Executive shall cease to serve as the Company’s Chief Executive Officer as of the date of the Parent Stockholders’ Meeting (as defined in the Merger Agreement) and shall remain as a non-executive employee until the six-month anniversary of the Parent Stockholders’ Meeting; and

**WHEREAS**, the Parties wish to set forth the terms of the Executive’s separation from the Company, including confirmation as to certain post-employment obligations that Executive has to the Company and/or its affiliates (collectively the “Company Group”).

**NOW, THEREFORE**, for good and valuable consideration, the sufficiency of which is acknowledged hereby, and in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

**1. Resignation from Offices and Service as Executive Chair.** Effective as of the Parent Stockholders’ Meeting, Executive shall resign from his position as Chief Executive Officer of the Company and shall continue to serve as Executive Chair of the Company until the six-month anniversary of the Parent Stockholders’ Meeting or the Executive’s earlier resignation of employment (the “Termination Date”), whereupon Executive shall resign from any and all other officer positions with the Company Group. Executive agrees to promptly sign all appropriate documentation, if any, prepared by the Company Group to facilitate the resignations contemplated by this Section 1. For the avoidance of doubt, the Executive’s resignation as an officer and subsequent termination of employment shall not impact the Executive’s service on the Board of Directors of the Company (the “Board”) and the Executive shall remain a director, subject to re-election in accordance with the Company’s governing documents. While serving as Executive Chair, the Executive may devote his business time and efforts to other business and affairs of the Executive to the extent such activities do not violate the restrictive covenants contained in the Employment Agreement. For the avoidance of doubt, the parties anticipate that the level of services rendered by the Executive while serving as “Executive Chair” will be in excess of 20% of the Executive’s average level of services rendered to the Company during the prior 36-month period.

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2. **Compensation During Service as Executive Chair.** While serving as Executive Chair, the Executive shall continue to receive a base salary, participate in the Company's annual incentive program and receive employee benefits at the same levels as were in effect prior to the Closing Date (as defined in the Merger Agreement).

3. **Accrued Wages and Vested Benefits.** Regardless of whether or not the Executive signs this Agreement, promptly following the Termination Date, Executive shall receive payment for all wages (including, but not limited to, base salary, bonuses and commissions, overtime pay, incentive payments, and all accrued but unused paid time off) and benefits through and including the Termination Date that Executive earned during Executive's employment with the Company Group. Executive understands and acknowledges that, apart from the terms and conditions of this Agreement, Executive shall not be entitled to any additional payments or benefits from the Company Group other than those expressly set forth in this Agreement. The Company shall reimburse Executive for all reasonable business expenses incurred in the performance of Executive's services to the Company Group, upon receipt of supporting material for such expenses. In addition, Executive's health care coverage shall terminate on the last day of the month in which the Termination Date occurs. Executive is eligible for continued health care coverage at his own expense pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), as will be more fully explained in a notice to be separately provided.

4. **Separation Payments.**

(a) **General.** In exchange for and in consideration of the covenants and promises contained herein, including (i) the Executive's release of all claims against the Company and the Released Parties as set forth in this Agreement and (ii) the execution of the Post Employment Release attached hereto as Exhibit A, which shall be executed within 45 days following the Termination Date, the Company will provide the Executive with the following Separation Payments and Benefits:

- i. **Separation Payment.** The Company shall pay Executive an amount equal to 12 months of the Executive's base salary, as in effect as of the date of the Merger Agreement (the "Severance Payment"), payable during the 12-month period following the Termination Date, with the Severance Payment commencing as soon as administratively feasible within 60 days following the Termination Date and the first installment payment including the portion of the Severance Payment that was payable prior to such first payment date, subject to any delay of payment required to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") as specified in Section 9 of this Agreement;
- ii. **Annual Bonus.** The Company shall pay Executive an annual bonus for the year of termination equal to the Executive's target annual bonus opportunity, payable within 60 days following the Termination Date (but in no event later than March 15, 2023),

subject to proration based on the number of days in the calendar year that have elapsed prior to the date of termination; and

**iii. COBRA Reimbursement.** Following the Termination Date, the Company shall pay to the Executive (or to the Executive's family in the event of Executive's death) on a monthly basis an amount equal to the monthly amount of the COBRA continuation coverage premium for such month, at the same level and cost to the Executive (or the Executive's family in the event of Executive's death) as immediately preceding the Termination Date, under the Company group medical plan in which the Executive participated immediately preceding the Termination Date, less the amount of the Executive's portion of such monthly premium as in effect immediately preceding the Termination Date, until the earlier of (A) 12 months after the Termination Date and (B) the Executive and Executive's family have obtained other substantially similar healthcare coverage.

**(b) Full Settlement Consideration.** The Executive acknowledges and agrees that unless the Executive enters into this Agreement, the Executive would not otherwise be entitled to receive the consideration set forth in Section 4(a) above. The Executive further acknowledges and agrees that: (i) the Executive shall not receive, and is not entitled to receive, any other payments, benefits or remuneration of any kind from the Company Group or the Released Parties, except as set forth in this Agreement, and (ii) the period of continued employment and consideration set forth in Section 3 and Section 4 of this Agreement constitute full accord and satisfaction for all amounts due and owing to the Executive, including all salary, wages, incentive compensation, commissions, paid time off, reimbursements or other payments, benefits or remuneration of any kind which may have been due and owing to the Executive.

**(c) Tax Withholding.** All payments made by the Company shall be subject to any mandatory deductions and withholdings.

**5. Indemnification and Insurance.** Subject to applicable law, the Executive will be provided indemnification to the maximum extent permitted by the Company's Amended and Restated Bylaws and Amended and Restated Certificate of Incorporation, including coverage, if applicable, under any directors and officers insurance policies, with such indemnification determined by the Board or any of its committees in good faith based on principles consistently applied (subject to such limited exceptions as the Board may approve in cases of hardship) and on terms no less favorable than those provided to any other Company executives, officers or directors. The rights to indemnification conferred hereby shall include, to the extent permitted by applicable law, the right to be paid by the Company the legal fees and other costs, expenses and disbursements incurred in defending any action, suit, proceeding or investigation with respect to which the Executive is entitled to indemnification in advance of its final disposition subject to receipt by the Company of an undertaking by the Executive to repay such amount, or a portion thereof, if it shall

ultimately be adjudicated that the Executive is not entitled to be indemnified by the Company pursuant hereto or as otherwise permitted by law, but such repayment by the Executive shall only be in an amount ultimately adjudicated to exceed the amount for which the Executive was entitled to be indemnified. The advances to be made pursuant to such right shall be paid by the Company to the Executive promptly following receipt by the Company of invoices or other evidence reasonably satisfactory to the Company.

**6. General Release.** In consideration for the Separation Payments and Benefits outlined in Section 4(a) of this Agreement, to which Executive is not otherwise entitled, Executive, and anyone claiming through Executive or on Executive's behalf, hereby generally and completely releases and waives each and every past, present, and future parent, division, subsidiary, partnership, owner, trustee, fiduciary, administrator, member, shareholder, investor, associate, affiliate, predecessor, successor and related company, and all of their current or former agents, officers, directors, partners, representatives, attorneys, contractors, insurance companies, administrators, successors, assigns, current and former employees, plan administrators, insurers, and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, the predecessors, successors, and assigns of each entity listed above, and each of them ("Released Parties"), from any and all claims, rights, debts, liabilities, demands, causes of action, obligations, and damages, known or unknown, suspected or unsuspected, arising as of or prior to the date of Executive's signature to this Agreement, under federal, state, local, or common law, including but not limited to claims in any way related to Executive's employment with the Released Parties, Executive's separation from employment, the terms and conditions of Executive's employment, any claims for breach of contract (express, implied or otherwise), including, but not limited to, any payments or benefits under any severance plan, stock option plan, or equity plan; all claims under the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the Fair Credit Reporting Act, the Americans with Disabilities Act, the Worker Adjustment and Retraining Notification Act, the Age Discrimination In Employment Act, the Older Workers Benefit Protection Act, and/or the laws prohibiting discrimination, harassment, and/or retaliation in any state in which you are employed, and any and all federal, state, and local employment laws, as well as any and all common law tort or contract theories under federal, state or local laws ("Released Claims").

(a) *Exceptions.* Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prohibits Executive (or his attorney) from confidentially or otherwise communicating or filing a charge or complaint with a governmental or regulatory entity, participating in a governmental or regulatory entity investigation, or giving other disclosures to a governmental or regulatory entity concerning suspected violations of the law, in each case without receiving prior authorization from or having to disclose any such conduct to the Company, or from responding if properly subpoenaed or otherwise required to do so under applicable law. Nothing in this Agreement shall be construed to affect the Equal Employment Opportunity Commission's

("Commission"), National Labor Relations Board's, the Occupational Safety and Health Administration's, and the Securities and Exchange Commission's, or any federal, state, or local governmental agency or commission's ("Governmental Agencies") or any state agency's independent right and responsibility to enforce the law, nor does this Agreement affect Executive's right to file a charge or participate in an investigation or proceeding conducted by either the Commission or any such Governmental Agency, although this Agreement does bar any claim that Executive might have to receive monetary damages in connection with any Commission or Governmental Agency proceeding concerning matters covered by this Agreement. This Agreement does not limit Executive's right to receive an award or bounty for information provided to any Governmental Agencies, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). Further, nothing in this Agreement prohibits Executive from testifying in an administrative, legislative or judicial proceeding regarding alleged criminal conduct or harassment, when Executive has been required or requested to attend a proceeding pursuant to court order, subpoena, or written request from an administrative agency or the legislature. Moreover, nothing in this Agreement prevents the disclosure of factual information relating to claims of sexual assault, harassment, discrimination, failure to prevent harassment or discrimination, or retaliation against a person for reporting an act of harassment or discrimination, to the extent the claims are filed in a civil or administrative action, and to the extent such disclosures are protected by law.

(b) Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement, any rights Executive may have under COBRA, any rights Executive may have under any ERISA-covered employee benefit plan, and does not release Executive's eligibility for indemnification in accordance with applicable laws, the Company's Amended and Restated Certificate of Incorporation and the Company's Amended and Restated Bylaws.

(d) *Release of Claims Under the Age Discrimination in Employment Act.* The Executive specifically releases the Released Parties from any and all claims, actions, causes of action, obligations for damages (including but not limited to compensatory, exemplary and punitive damages), losses, expenses, attorneys' fees or costs, back pay, loss of earnings, debts, reinstatement, for causes of action that he may have as of the date on which this Agreement is executed (the "Execution Date") arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. 621, *et seq.* and its state or local equivalent ("ADEA"). The Executive further agrees that:

- i. his waiver of rights under this Agreement is knowing and voluntary and in compliance with the Older Workers Benefit Protection Act of 1990 ("OWBPA");
- ii. he understands the terms of this Agreement;
- iii. the consideration provided in this Agreement represents consideration over and above that to which he would be entitled, that the consideration

would not have been provided had he not signed this Agreement, and that the consideration is in exchange for the signing of this Agreement;

- iv. the Executive is hereby advised in writing to consult with his attorney prior to executing this Agreement, and he affirms he has done so;
- v. the Executive has been given a period of forty-five days (45) within which to consider this Agreement;
- vi. following the Execution Date, the Executive has seven (7) days in which to revoke this Agreement as to claims under the ADEA, only, by written notice as provided in Section 13 of this Agreement;
- vii. this Section 6(d) does not waive rights or claims that may arise under the ADEA after the Execution Date.

(e) *Older Workers Benefit Protection Act Disclosure Notice.* The Older Workers Benefit Protection Act (“OWBPA”) requires that employers provide specific information to employees who are 40 years of age or older and asked to execute a release of claims in connection with a group termination program. Executive acknowledges and agrees that the Executive received with this Agreement and reviewed a copy of the Memorandum attached as Exhibit B hereto. If the information reflected in Exhibit B changes during the time period for Executive’s review of this Agreement or the Post Employment Release, Executive will be provided with an updated Exhibit B.

(f) The Executive hereby waives any right that the Executive may have to seek or to share in any relief, monetary or otherwise, relating to any claim released herein, whether such claim was initiated by the Executive or not.

**7. Non-Disclosure.** The terms of this Agreement, including all related facts, circumstances, statements and documents, shall not be admissible or submitted as evidence in any litigation, in any forum, for any purpose, other than to secure enforcement of the terms and conditions of this agreement, or as may otherwise be required by law. Notwithstanding anything contained in this section to the contrary, neither Executive nor any other person shall be prohibited from making truthful statements in connection with any litigation, arbitration, deposition or other legal proceeding, or as may be required by law, any subpoena or any governmental or quasi-governmental authority. nothing in this Agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful. The U.S. Defend Trade Secrets Act of 2016 provides that: (a) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade

in the court proceeding, if the individual (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement prohibits or creates liability for any such protected conduct.

## **8. Continuing Obligations.**

(a) *Confidential Information and Restricted Activities.* By signing this Agreement, Executive represents that Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on Executive pursuant to this Section 8 (collectively, the “Restrictive Covenant Agreements”). For purposes of the Restrictive Covenant Agreements, “Company” shall mean the Company and all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, or an equity interest of 50% or more (direct or indirect) (collectively, “Affiliates”). In consideration for the Separation Payments and Benefits outlined in Section 4(a) of this Agreement, to which Executive is not otherwise entitled, Executive agrees that during Executive’s employment and for the twelve month period following the Termination Date (the “Restricted Period”) Executive will not (without the Company’s prior written consent), whether as owner, partner, shareholder, director, consultant, agent, employee, co-venturer or otherwise, (i) engage, participate or invest in any business activity anywhere in the world that develops, markets or sells any products, or performs or sells any services that directly or indirectly target the pharmacological restoration of normal function to wild type or missense-mutant P53 in oncologic applications; provided that this shall not prohibit any investment by Executive in publicly traded stock of a company representing less than two percent of the stock of such company, (ii) (A) solicit or attempt to solicit, or (B) take away or divert from the Company, or attempt to take away or divert from the Company, the business or patronage of any customer(s) known to Executive with respect to which Executive was involved in soliciting, in each case at any time during the twelve-month period that immediately preceded the termination of Executive’s employment with the Company and with which, as a result of Executive’s employment with the Company, Executive had business dealings or about which Executive acquired confidential information, or (iii) (A) recruit or attempt to recruit, solicit or attempt to solicit, hire or attempt to hire, interfere with or endeavor to entice away or (B) assist in recruiting or attempting to recruit, soliciting or attempting to solicit, hiring or attempting to hire, interfering with or enticing away any person who is or was employed by the Company or is or was an agent, representative or consultant of the Company within the six-month period preceding the termination of Executive’s employment with the Company, *provided, however*, that this subsection (iii) shall not apply to employees terminated prior to the termination of Executive’s employment with the company. Executive agrees without reservation that these restraints are necessary for the reasonable and proper protection of the Company, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. Executive expressly consents to be bound by the provisions of the Restrictive Covenant Agreements for the benefit of the Company or any Affiliate or successor. Executive acknowledges that this Agreement affords Executive with a period of seven (7) days in which to revoke Executive’s consent to this Agreement, as more fully described in Section 14.



(b) *Return of Property.* The Executive agrees and acknowledges that all written materials, records, documents, electronic files and any other tangible items made by the Executive or coming into his possession during his employment by the Company Group concerning the business or affairs of the Company Group are the sole property of the Company. The Executive represents and warrants that, within ten days following the Termination Date: (i) he shall return to the Company all such Company Group property (and any copies thereof), including, but not limited to, all identification cards, keys, credit cards, documents, computers, cell phones, and disks, as well as all materials containing confidential information, in any form; and (ii) he shall destroy (and not retain) any of the Company Group's confidential information on his personal computer (or any other personal electronic device in his possession, custody or control); provided, however, that the Executive shall be entitled to retain the mobile telephone and laptop issued to him by the Company, following disconnection by the Company's IT staff of all Company Group property on such laptop and mobile telephone. Executive shall be entitled to port the mobile telephone number to his own service.

(c) *Non-Disparagement.* Executive will not make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that any member of the Company Group engaged in any wrongful, unlawful or improper conduct, whether relating to Executive's employment (or the termination thereof), the business or operations of the Company Group, or otherwise or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the Company Group. Nothing herein will be deemed to preclude Executive from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or activities.

(d) *Blue-Penciling.* If, at the time of enforcement of any of the provisions of Section 8 of this Agreement (or the provisions of the Employment Agreement), it shall be adjudged that the duration, scope, geographic area or other restrictions stated therein are unreasonable under circumstances then existing, the Executive and the Company agree that the maximum duration, scope, geographic area or other restrictions deemed reasonable under such circumstances by such court shall be substituted for the stated duration, scope, geographic area or other restrictions.

(e) *Enforcement of Agreement; Relief.* Executive acknowledges and agrees that the Restrictive Covenant Agreements and all other provisions of this Agreement and the Employment Agreement that are intended to endure beyond the terms of Executive's employment shall survive the termination of Executive's employment and that any violation of any of the Restrictive Covenant Agreements will cause immediate and irreparable damage to the Company, entitling it to specific performance, injunctive relief and other equitable remedies. The Executive further acknowledges and agrees that the provisions of Section 8 of this Agreement (and the provisions of the Employment Agreement) are reasonable and necessary to protect the legitimate business interests of the Company Group. Executive specifically consents to the issuance of temporary, preliminary, and permanent injunctive relief to enforce the terms of this Agreement. In

addition to injunctive relief, the Company is entitled to all money damages available under the law. If Executive breaches any of the covenants contained in the Restrictive Covenant Agreements, in addition to the Company's other legal and equitable remedies, the Company may cease any termination benefits to which Executive might otherwise be entitled. Any such termination of the termination benefits by the Company in the event of a breach by Executive shall not affect Executive's ongoing obligations to the Company including pursuant to this Agreement.

(f) *Transition Cooperation.* In consideration for the payments and agreements set forth herein, including but not limited to the accelerated equity vesting provided under Section 4(a), Executive will cooperate in the transition of his work related to the business issues and projects Executive was involved in while employed by the Company Group and Executive will be available to provide such transitional assistance as may be requested by the Company, provided there is no interference with any other employment Executive may then have.

**9. Section 409A Compliance.** This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and for such purposes, each payment to Executive under this Agreement shall be considered a separate payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment" such term and similar terms shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Executive hereby agrees to be bound by the Company's determination of its "specified employees" (as such term is defined in Section 409A of the Code) provided such determination is in accordance with any of the methods permitted under the regulations issued under Section 409A of the Code. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (i) each such payment which is conditioned upon Executive's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A of the Code) as of the date of Executive's separation from service, each such payment that is payable upon Executive's separation from service and would have been paid prior to the six-month anniversary of Executive's separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive's separation from service or (B) the date of Executive's death.

**10. Entire Agreement.** The Executive acknowledges and agrees that this Agreement reflects the entire agreement between the Parties regarding the subject matter hereof and fully supersedes any and all prior agreements and understandings between the Parties hereto, except for the Employment Agreement, which remains valid and binding and shall continue in full force and effect. There is no other agreement except as stated herein. The Executive acknowledges that the Company Group has made no promises to the Executive other than those contained in this Agreement.

**11. Modification.** This Agreement may not be changed unless the change is in writing and signed by the Executive and an authorized representative of the Company.

**12. General Provisions.** The failure of any party to insist on strict adherence to any term hereof on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term hereof. The language and all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties, regardless of who drafted it. This Agreement may be signed in counterparts, and may be delivered by facsimile or electronic mail. The invalidity of any provision of this Agreement shall not affect the validity of any other provision hereof.

**13. Review Period.** The Executive understands that the Company has given him a period of forty-five (45) calendar days to review and consider this Agreement before signing it (the "Review Period"). The Executive further understands that he may use as much of this period as he wishes prior to signing this Agreement and should Executive sign and return the Agreement prior to the expiration of the review Period, he waives any remaining portion thereof. The Executive acknowledges and agrees that he must sign and return the original Agreement to the Company, c/o Scott Coiante, 535 Boylston Street, Boston, MA 02116 ("Company's Representative"), no later than the expiration of the Review Period and that, if he fails to do so, the entire Agreement shall be null and void and the Parties shall have no obligations under the Agreement to one another. The Executive acknowledges that, to the extent that he decides to sign this Agreement prior to the expiration of the above period, such decision was knowing and voluntary on his part.

**14. Revocation Period.** The Executive may revoke this Agreement within seven (7) calendar days of the date on which he signs it (the "Revocation Period") by delivering a written notice of revocation to the Company, c/o Scott Coiante, 535 Boylston Street, Boston, MA 02116, no later than the close of business on the seventh day after the Execution Date. This Agreement shall not be effective or enforceable and no payments will be made hereunder until: (a) the Executive has signed and returned this Agreement to the Company within the review period set forth above, (b) the Revocation Period has expired without the Executive exercising his revocation right (the "Effective Date").

**15. Choice of Law.** This Agreement shall in all respects be interpreted, enforced and governed in accordance with and pursuant to the laws of the State of Delaware, without regard to its conflicts or choice of law principles.

**16. Arbitration.** The Parties agree that any and all disputes between the Executive and the Company arising out of, relating to or concerning this Agreement or the Executive's employment shall be submitted exclusively to confidential, final and binding arbitration before the American Arbitration Association. The Parties hereby agree to arbitrate any disputes, in Delaware, under the American Arbitration Association's then existing Employment Arbitration Rules which can be found at [https://adr.org/sites/default/files/EmploymentRules\\_Web\\_2.pdf](https://adr.org/sites/default/files/EmploymentRules_Web_2.pdf), and both parties specifically consent to personal jurisdiction in such forum. Each party shall pay its own expenses of arbitration and the expenses of the arbitrator shall be equally shared by the Parties to the arbitration. Nothing herein shall prevent the Company from seeking and obtaining injunctive relief from a court with respect to any violation or potential violation of any of the provisions of Section 8 of this Agreement. The Parties specifically waive their respective right to a trial by jury for any dispute, claim, controversy, or cause of action arising out of, relating to or concerning this Agreement.

**17. Legal Counsel.** The Executive is hereby advised of his right to consult with an attorney before signing this Agreement, which includes a general release and a jury trial waiver. The Executive hereby acknowledges the Executive's right to consult with an attorney.

**THE EXECUTIVE ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS AGREEMENT;  
UNDERSTANDS IT, AND IS VOLUNTARILY ENTERING INTO IT OF HIS OWN FREE WILL, WITHOUT  
DURESS OR COERCION, AFTER DUE CONSIDERATION OF ITS TERMS AND CONDITIONS.**

**APREA THERAPEUTICS,  
INC.**

**CHRISTIAN S. SCHADE**

By: /s/Christian S. Shade

By: /s/Christian S. Shade

Name: Christian S. Schade

Date: May 16, 2022

Title: Chief Executive Officer

Date: May 16, 2022

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**EXHIBIT A**  
**POST EMPLOYMENT RELEASE**

**TO BE EXECUTED ONLY AFTER THE TERMINATION DATE**

1. *Release.* In consideration for the benefits (the “**Severance Benefits**”) outlined in the Separation Agreement, dated as of [\_\_\_\_], 2022 with **Aprea Therapeutics, Inc.** (the “Company”), to which I am not otherwise entitled, I hereby generally and completely release the Company and its affiliated entities (collectively “**Company Entities**”) and their directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns 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 the time I sign this Release. This general release includes, but is not limited to: (1) all claims arising out of or in any way related to my employment with the Company or the termination of that employment; (2) all claims related to my 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 interests in the Company; (3) all claims for breach of contract, wrongful termination or breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (5) 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 (as amended) (“**ADEA**”), Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 (“**ERISA**”) (except for any vested benefits under any tax qualified benefit plan), the Immigration Reform and Control Act, the Workers Adjustment and Retraining Notification Act, the Fair Credit Reporting Act; and (6) any other federal, state or local law, rule, regulation, or ordinance; (7) any public policy, contract, tort, or common law; and (8) any basis for recovering costs, fees, or other expenses including attorneys’ fees incurred in these matters. This Release does not apply to (x) claims which cannot be released as a matter of law, (y) any right I may have to enforce the Agreement, or (z) my eligibility for indemnification and similar matters in accordance with applicable laws, the articles, charter and bylaws of the Company or any indemnification agreement I have with the Company.

2. *ADEA Waiver.* I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I have under the ADEA and that the consideration given for the waiver and release is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that:

- (a) my waiver and release specified in this paragraph do not apply to any rights or claims that arise after the date I sign this Release;
- (b) I have the right to consult with an attorney prior to signing this Release;



(c) I have forty-five (45) days to consider this Release (although I may choose voluntarily to sign this Release earlier);

(d) I have seven (7) days after I sign this Release to revoke the Release; and

(e) this Release will not be effective until the date on which the revocation period has expired, which will be the eighth day after I sign this Release, assuming I have returned it to the Company by such date.

3. *Older Workers Benefit Protection Act Disclosure Notice.* The Older Workers Benefit Protection Act (“**OWBPA**”) requires that employers provide specific information to employees who are 40 years of age or older and asked to execute a release of claims in connection with a group termination program. I acknowledge and agree that I have received and reviewed a copy of the Memorandum attached as Exhibit B hereto. I understand that if the information reflected in Exhibit B changes during the time period for my review of this Post Employment Release, I will be provided with an updated Exhibit B.

This Release, together with the Agreement, constitutes the entire understanding of the parties on the subjects covered.

EXECUTIVE:

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Chris Schade

Dated:



**EXHIBIT B TO SEPARATION AND GENERAL RELEASE AGREEMENT**

As you have been informed, your employment with Aprea Therapeutics, Inc. (the “Company”) is being terminated in connection with the merger of the Company with Atrin Pharmaceuticals Inc. Persons in the Company whose employment is being terminated have been selected based, as applicable, on the Company’s business need for the employee’s position or services, employee performance, skills and experience, leadership and management ability, utilization, recency of hire, applicability of skills and experience across multiple accounts, team assignment, and team performance.

As you have also been notified, you therefore are eligible for and being offered severance benefits. To be eligible for a severance benefit, an employee must: (a) have had his or her employment involuntarily terminated by the Company as a direct consequence of the merger between the Company and Atrin Pharmaceuticals Inc. (and not, for example, due to the employee’s voluntary resignation or involuntary termination by the Company for cause as determined in the sole discretion of the Company); and (b) sign and return a Separation and General Release Agreement provided by the Company (the “Agreement”) within 45 days after receiving the Agreement, and not revoke the Agreement within 7 days after signing it. The Agreement contains, among other things, a waiver and release of any claims against the Company and related entities and persons.

A copy of your Agreement is attached, which describes the severance benefit being offered to you. As stated, should you wish to accept the Agreement, you must sign and return it to the Company, c/o [NAME], within 45 days after receiving it. You should carefully review the Agreement, including to understand your right to revoke the Agreement within 7 days after you have signed it (if you revoke it, you will not receive the special severance benefit under the Agreement).

The relevant decisional unit described in this disclosure is the [\_\_\_\_\_] Department of the Company]. This information is current as of [DATE].

The following is a listing of the ages and job titles of Company employees in the decisional unit whose employment is being terminated in connection with the merger of the Company and Atrin Pharmaceuticals Inc., and thus are eligible for and being offered a severance benefit in exchange for signing an Agreement:

<b>Job Title</b>	<b>Age</b>
<b><i>[INDIVIDUALLY LIST ALL THOSE BEING TERMINATED, INCLUDING POSITION, GRADE (IF APPLICABLE) AND AGE – NOT NAME]</i></b>	


The following is a listing of the ages and job titles of Company employees in the decisional unit whose employment is not being terminated in connection with the merger of the Company and Atrin Pharmaceuticals Inc., and thus are not eligible to receive a severance benefit in exchange for signing an Agreement:


<b>Job Title</b>	<b>Age</b>
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<b><i>[INDIVIDUALLY LIST ALL THOSE BEING RETAINED, INCLUDING POSITION, GRADE (IF APPLICABLE) AND AGE – <u>NOT</u> <u>NAME]</u></i></b>	
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**EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** (the “Agreement”) between APREA THERAPEUTICS, INC., a Delaware corporation (the “Company”), and Eyal C. Attar, M.D. (the “Executive”), is made and entered into as of September 26, 2019, and will become effective, if at all, upon the date of closing of the Company’s initial public offering of stock pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (the “Effective Date”).

**WHEREAS**, the Company desires to continue to employ Executive on the terms and conditions contained herein;

**WHEREAS**, the Company and Executive previously entered into an employment letter agreement, dated as of April 1, 2019 (the “Prior Agreement”);

**WHEREAS**, Executive desires to continue to be employed by and render services to the Company upon and subject to the terms, conditions and other provisions set forth herein.

**NOW THEREFORE**, in consideration of the promises and mutual covenants and agreements contained herein, the adequacy of all of which consideration is hereby acknowledged, the parties hereby agree as follows:

1. **Agreement and Term.** The Company hereby agrees to continue to employ Executive, and Executive hereby accepts such employment and agrees to render such services to the Company, on the terms and conditions set forth in this Agreement. Unless terminated earlier as set forth in Section 4 herein, Executive’s employment and the term under this Agreement shall commence under the terms set forth herein on the Effective Date and shall continue until the third-anniversary of the Effective Date (the “Initial Term”) and, thereafter, shall be extended automatically for successive one-year terms, unless either Executive or the Company gives contrary written notice not less than 60 days in advance of the expiration of the Initial Term or any succeeding term of this Agreement. The Initial Term, together with any extension thereof in accordance with this Section 1, shall be referred to herein as the “Term.”
2. **Positions and Authority.** Executive shall serve in the position of Senior Vice President, Chief Medical Officer of the Company, or in such other position as the parties may agree. Executive agrees to serve in the officer position referred to in this Section 2, and to perform diligently and to the best of his abilities the duties and services appertaining to such offices as set forth in the Bylaws of the Company, as well as such additional duties and services appropriate to such offices that the parties may agree upon from time to time. Upon the Effective Date, Executive’s principal place of work shall be located in Boston, Massachusetts.

During the Term, Executive shall devote Executive’s full business time and efforts to the business and affairs of the Company and its subsidiaries, provided that the Executive shall be entitled to serve as a member of the board of directors of a reasonable number of other companies, to serve on civic, charitable, educational, religious, public interest or public service boards, and to manage the Executive’s personal and family investments, in each case, to the extent such activities do not materially interfere with the performance of the Executive’s duties and responsibilities

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hereunder. Executive shall not become a director of any for profit entity without first receiving the approval of the Chief Executive Officer of the Company.

3. Compensation and Benefits

(a) Base Salary. As compensation for Executive's performance of Executive's duties hereunder, Company shall pay to Executive an initial Base Salary of \$425,000 per year, payable in accordance with the normal payroll practices of the Company. The Base Salary shall be reviewed for increases but not decreases by the Compensation Committee of the Board (the "Compensation Committee") in good faith, based upon the Company's and Executive's performance and the Company's pay philosophy, not less often than annually. The term "Base Salary," shall refer to the Base Salary as may be in effect from time to time.

(b) Annual Incentive Compensation. During the Term, Executive shall be eligible to participate in the annual cash bonus program maintained for senior executive officers of the Company (the "Annual Incentive Program"), with an initial target annual bonus opportunity equal to 40% of Base Salary. The actual amount of the annual bonus earned by and payable to Executive for any year or portion of a year, as applicable, shall be determined upon the satisfaction of goals and objectives established by the Compensation Committee, and shall be subject to such other terms and conditions of the Annual Incentive Program as in effect from time to time. Each bonus paid under the Annual Incentive Program shall be paid to Executive no later than March 15th of the calendar year following the calendar year in which the bonus is earned.

(c) Long-Term Incentive Grants. During the Term, Executive shall be eligible to participate in the long-term incentive program maintained for senior executive officers of the Company (the "LTI Program"), with a LTI Program target opportunity and LTI Program Vehicles determined by the Compensation Committee for each year of participation.

(d) Employee Benefits and Perquisites. During the Term, the Executive shall be entitled to receive all benefits and perquisites of employment generally available to other members of the Company's senior executive management, upon Executive's satisfaction of the eligibility or participation criteria therefor. The Company reserves the right to modify or terminate employee benefits and perquisites at its discretion.

(e) Business Expenses. Subject to Section 17, Executive shall be reimbursed for reasonable travel and other expenses incurred in the performance of Executive's duties on behalf of the Company in a manner consistent with the Company's policies regarding such reimbursements, as may be in effect from time to time.

4. Termination of Employment. (a) The Term shall end upon the first to occur of: (i) the expiration of the term of this Agreement pursuant to Section 1 hereof; (ii) Termination due to Disability (as defined below); (iii) termination of Executive's employment by the Company for any reason other than Termination due to Disability; (iv) Executive's death; or (v) termination of Executive's employment by Executive for any reason. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions with the Company or any of its Affiliates held by Executive as of the date immediately preceding Executive's termination of employment.

(b) If Executive's employment ends for any reason, except as otherwise contemplated in this Section 4, Executive shall cease to have any rights to salary, bonus (if any) or other benefits, other than (i) the earned but unpaid portion of Executive's Base Salary through the date of termination or resignation, (ii) a lump-sum payment in respect of accrued but unused vacation days at the Executive's per-business-day Base Salary rate, (iii) any unpaid expense or other reimbursements due to Executive, and (iv) any other amounts or benefits required to be paid or provided by law or under any plan, program, policy or practice of the Company.

(c) Termination without Cause or for Good Reason. If Executive's employment hereunder shall be terminated by the Company without Cause, termination upon the expiration of the Term following notice of non-renewal by the Company, or by Executive for Good Reason, then in addition to the payments and benefits described in Section 4(b) and subject to Section 17 and Executive's continuing compliance with Section 5 of this Agreement:

(i) the Company shall pay Executive an amount equal to nine months of the Executive's Base Salary (the "Severance Payment"), payable during the nine-month period following such termination of employment, with the Severance Payment commencing as soon as administratively feasible within 60 days following Executive's termination of employment and the first installment payment including the portion of the Severance Payment that was payable prior to such first payment date; provided, however, if the Executive's employment is terminated under circumstances entitling the Executive to severance under this Section 4(c) within 12 months following a Change in Control (a "CIC Qualifying Termination"), then the Severance Payment and period to pay the Severance Payment shall be increased to 12 months;

(ii) the Company shall pay Executive an annual bonus for the year of termination equal to the Executive's target annual bonus opportunity, payable within 60 days following the Executive's termination of employment, subject to proration based on the number of days in the calendar year that have elapsed prior to the date of termination;

(iii) following the Executive's termination of employment, the Company shall pay to the Executive (or to the Executive's family in the event of Executive's death) on a monthly basis an amount equal to the monthly amount of the Consolidated Omnibus Budget Reconciliation Act of 1985 continuation coverage premium for such month, at the same level and cost to the Executive (or the Executive's family in the event of Executive's death) as immediately preceding the Executive's termination of employment, under the Company group medical plan in which the Executive participated immediately preceding the Executive's termination of employment, less the amount of the Executive's portion of such monthly premium as in effect immediately preceding the Executive's termination of employment, until the earlier of (A) nine months after the Executive's termination of employment and (B) the Executive and Executive's family have obtained other substantially similar healthcare coverage; provided, however, if the Executive experiences a CIC Qualifying Termination, then the number of months set forth in clause (A) of this sentence shall be increased to 12 months;

For the avoidance of doubt, Executive shall not be entitled to the benefits described in this Section 4(c) for a Termination due to Disability, termination of Executive's employment for

Cause, Executive's death, or termination of Executive's employment by Executive for any reason other than for Good Reason.

(d) Section 280G. Notwithstanding anything to the contrary in this Agreement, Executive expressly agrees that if the payments and benefits provided for in this Agreement or any other payments and benefits which Executive has the right to receive from the Company and its Affiliates (collectively, the "Payments"), would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code")), then the Payments shall be either (i) reduced (but not below zero) so that the present value of the Payments will be one dollar (\$1.00) less than three times Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of the Payments received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Executive. The reduction of Payments, if any, shall be made by reducing first any Payments that are exempt from Section 409A of the Code and then reducing any Payments subject to Section 409A of the Code in the reverse order in which such Payments would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time). The determination as to whether any such reduction in the Payments is necessary shall be made by the Compensation Committee in good faith. If a reduced Payment is made or provided and, through error or otherwise, that Payment, when aggregated with other payments and benefits from Company (or its Affiliates) used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company.

(e) Certain Definitions.

"Affiliate" shall mean all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, or an equity interest of 50% or more (direct or indirect).

"Cause" shall mean, in the sole discretion of the Board:

(i) conduct by Executive in connection with Executive's service to the Company or any Affiliate that is fraudulent, unlawful or grossly negligent;

(ii) Executive's material breach of Executive's material responsibilities to the Company or any Affiliate or Executive's willful failure to comply with reasonable and lawful directives of the Board;

(iii) Executive's material breach of Executive's material representations, warranties, covenants and/or obligations under this Agreement;

(iv) material misconduct by Executive that seriously discredits or damages the Company or any Affiliate;

(v) nonperformance or unsatisfactory performance of Executive's material duties or responsibilities to the Company or any Affiliate;

(vi) violation of the Company's or any of its Affiliates' policies including, without limitation, the Company's Code of Conduct and policies on equal employment opportunity and prohibition of unlawful harassment; and/or

(vii) the conviction of, or plea of nolo contendere to, any felony or a misdemeanor involving dishonesty or fraud

In the case of each of (ii), (iii), (iv), (v) and (vi) as determined in good faith by the Board after written notice to Executive providing reasonable details of the alleged breach and not less than a 30 day period to cure the alleged breach; provided that the Company may suspend Executive's employment, access, authority and duties during such cure period.

“Change in Control” shall have the meaning assigned to such term in the Company's 2019 Equity Incentive Plan.

“Good Reason” shall mean that Executive has complied with the “Good Reason Process” (hereinafter defined) following the occurrence of any of the following actions undertaken by the Company without Executive's express prior written consent:

(i) the changing of Executive's position from Senior Vice President, Chief Medical Officer;

(ii) a material diminution in Executive's responsibilities, authority or function as Senior Vice President, Chief Medical Officer;

(iii) a material reduction in Executive's Base Salary and/or annual target bonus opportunity; provided, however, that Good Reason shall not be deemed to have occurred in the event of a reduction in Executive's Base Salary and/or annual target bonus opportunity that is pursuant to a reduction program affecting substantially all of the senior level employees of the Company and that does not adversely affect Executive to a greater extent than other similarly situated senior level employees; or

(iv) a change of more than 50 miles in the geographic location at which Executive must regularly report to work and perform services, except for required travel on business of the Company; provided, however, that “Good Reason” shall not include, following a Change of Control, a reduction in title, position, responsibilities or duties solely by virtue of the Company being acquired and made part of, or operating as a subsidiary or division of a larger company or organization, as long as Executive's new duties and responsibilities are reasonably commensurate with Executive's experience.

“Good Reason Process” shall mean that: (i) Executive has reasonably determined in good faith that a “Good Reason” has occurred; (ii) Executive has notified the Board in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) Executive has cooperated in good faith with the efforts of the Company, for a period not less than 30 days following such notice (the “Cure Period”), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) Executive terminates employment within 60 days after the end of the Cure Period. If the Good Reason



condition is cured by the Company during the Cure Period, Good Reason shall be deemed not to have occurred.

“Termination due to Disability” shall mean Executive’s termination of employment as a result of Executive becoming incapacitated for a period of at least 180 days by accident, sickness or other circumstance that renders Executive mentally or physically incapable of performing the material duties as Senior Vice President, Chief Medical Officer.

5. Restrictive Covenants.

(a) Confidential Information and Restricted Activities. By signing this Agreement, Executive represents that Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on Executive pursuant to this Section 5 (collectively, the “Restrictive Covenant Agreements”). For purposes of the Restrictive Covenant Agreements, “Company” shall mean the Company and its Affiliates. Executive agrees that during Executive’s employment and for the twelve month period after Executive’s employment with the Company ends for any reason (the “Restricted Period”) Executive will not (without the Company’s prior written consent), whether as owner, partner, shareholder, director, consultant, agent, employee, co-venturer or otherwise, (i) engage, participate or invest in any business activity anywhere in the world that develops, markets or sells any products, or performs or sells any services that directly or indirectly target the pharmacological restoration of normal function to wild type or missense-mutant P53 in oncologic applications; provided that this shall not prohibit any investment by Executive in publicly traded stock of a company representing less than two percent of the stock of such company, (ii) (A) solicit or attempt to solicit, or (B) take away or divert from the Company, or attempt to take away or divert from the Company, the business or patronage of any customer(s) known to Executive with respect to which Executive was involved in soliciting, in each case at any time during the twelve-month period that immediately preceded the termination of Executive’s employment with the Company and with which, as a result of Executive’s employment with the Company, Executive had business dealings or about which Executive acquired confidential information, or (iii) (A) recruit or attempt to recruit, solicit or attempt to solicit, hire or attempt to hire, interfere with or endeavor to entice away or (B) assist in recruiting or attempting to recruit, soliciting or attempting to solicit, hiring or attempting to hire, interfering with or enticing away any person who is or was employed by the Company or is or was an agent, representative or consultant of the Company within the six-month period preceding the termination of Executive’s employment with the Company. Executive agrees without reservation that these restraints are necessary for the reasonable and proper protection of the Company, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. Executive further understands that Executive’s obligations under the Restrictive Covenant Agreements will continue in accordance with their express terms regardless of any changes in Executive’s title, position, duties, salary, compensation or benefits or other terms and conditions of employment. Executive expressly consents to be bound by the provisions of the Restrictive Covenant Agreements for the benefit of the Company or any Affiliate or successor to whose employ Executive may be transferred.

(b) Return of Property. All files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible

material containing Company information, whether created by Executive or others, which come into Executive's custody or possession, are the exclusive property of the Company to be used by Executive only in the performance of Executive's duties for the Company. Any property situated on the Company's premises and owned by the Company, including without limitation computers, disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company at any time with or without notice. In the event of the termination of Executive's employment for any reason, Executive will deliver to the Company all files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing proprietary information, and other materials of any nature pertaining to the proprietary information of the Company and to Executive's work performed for the Company, and will not take or keep in Executive's possession any of the foregoing or any copies.

(c) Developments. Executive will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works, and other works of authorship (collectively, "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by Executive (alone or jointly with others) or under Executive's direction during the period of Executive's employment. Executive acknowledges that all work performed by Executive is on a "work for hire" basis, and Executive hereby does assign and transfer and, to the extent any such assignment cannot be fully made at present, will assign and transfer, to the Company and its successors and assigns all Executive's right, title and interest in all Developments that (i) relate to the business of the Company or any customer of or supplier to the Company or any of the products or services being researched, developed, manufactured, commercialized, marketed or sold by the Company or that may be used with such products or services; or (ii) result from tasks assigned to Executive by the Company; or (iii) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("Company-Related Developments"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("Intellectual Property Rights"). To preclude any possible uncertainty, Executive has provided on Exhibit A to this Agreement a complete list of Developments that Executive has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of Executive's employment with the Company that Executive considers to be Executive's property or the property of third parties and that Executive wishes to have excluded from the scope of this Agreement ("Prior Inventions"). Executive has also listed on Exhibit A all patents and patent applications in which Executive is named as an inventor, other than those that have been assigned to the Company, ("Other Patent Rights"). If no such disclosure is set forth on Exhibit A, Executive represents that there are no Prior Inventions or Other Patent Rights. If, in the course of Executive's employment with the Company, Executive incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, Executive hereby grants to the Company a nonexclusive, royalty-free, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, Executive will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent. This Agreement does not

obligate Executive to assign to the Company any Development that, in the sole judgment of the Company, reasonably exercised, is developed entirely on Executive's own time and does not relate to the business efforts or research and development efforts in which, during the period of Executive's employment, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, Executive will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. Executive understands that to the extent this Agreement is required to be construed in accordance with the laws of any state that precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 5(c) will be interpreted not to apply to any invention which a court rules and /or the Company agrees falls within such classes. Executive also hereby waives all claims to any moral rights or other special rights which Executive may have or accrue in any Company-Related Developments.

(d) Enforcement of Agreement; Relief. Executive acknowledges and agrees that the Restrictive Covenant Agreements and all other provisions of this Agreement that are intended to endure beyond the terms of Executive's employment shall survive the termination of Executive's employment and that any violation of any of the Restrictive Covenant Agreements will cause immediate and irreparable damage to the Company, entitling it to specific performance, injunctive relief and other equitable remedies. Executive specifically consents to the issuance of temporary, preliminary, and permanent injunctive relief to enforce the terms of this Agreement. In addition to injunctive relief, the Company is entitled to all money damages available under the law. If Executive breaches any of the covenants contained in the Restrictive Covenant Agreements, in addition to the Company's other legal and equitable remedies, the Company may cease any termination benefits to which Executive might otherwise be entitled. Any such termination of the termination benefits by the Company in the event of a breach by Executive shall not affect Executive's ongoing obligations to the Company including pursuant to the Release.

(e) Notice of Intent to Resign. In the event Executive wishes to voluntarily terminate Executive's employment, Executive agrees to provide the Company with four (4) weeks advance written notice (the "Notice Period") of Executive's intent to do so, and, if Executive intends or contemplates alternative employment, Executive also agrees to provide the Company with accurate information concerning such alternative employment in sufficient detail to allow the Company to meaningfully exercise its rights under this Section 5. After receipt of such notice, the Company, in its sole, absolute and unreviewable discretion, may (i) require Executive to continue working during the Notice Period, (ii) relieve Executive of some or all of his work responsibilities during the Notice Period, or (iii) shorten the Notice Period and make Executive's voluntary termination of employment effective immediately. Notwithstanding the foregoing, if Executive provides notice of resignation, in no event shall Executive's separation of employment be considered an involuntary termination by the Company, even if the effective date of termination is accelerated by the Company.

(f) Non-Disparagement. Executive agrees during and following the Term not to make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that the Company or its Affiliates engaged in any wrongful, unlawful or improper conduct, whether relating to Executive's employment (or the termination thereof), the business or operations of the Company or its

Affiliates, or otherwise or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the Company or its Affiliates. Nothing herein will be deemed to preclude Executive from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or activities.

(g) Protected Rights. Notwithstanding anything in this Agreement to the contrary, Executive understands that nothing contained in this Agreement limits the Executive's ability to report possible violations of law or regulation to or file a charge or complaint with the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission or regulatory authority (collectively, "Government Agencies"). Executive further understands that this Agreement does not limit his 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. Furthermore (i) Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order.

(h) Breach. Executive acknowledges that the restrictions contained in this Agreement are fair, reasonable, and necessary for the protection of the legitimate business interests of the Company, that the Company will suffer irreparable harm in the event of any actual or threatened breach by Executive, and that it is difficult to measure in money the damages which will accrue to the Company by reason of a failure by Executive to perform any of Executive's obligations under this Section 5. Accordingly, if the Company or any of its Affiliates institutes any action or proceeding to enforce their rights under this Section 5, to the extent permitted by applicable law, Executive hereby waives the claim or defense that the Company or its Affiliates has an adequate remedy at law, Executive shall not claim that any such remedy at law exists, and Executive consents to the entry of a restraining order, preliminary injunction, or other preliminary, provisional, or permanent court order to enforce this Agreement, and expressly waives any security that might otherwise be required in connection with such relief. Executive also agrees that any request for such relief by the Company shall be in addition and without prejudice to any claim for monetary damages and/or other relief which the Company might elect to assert. In the event Executive violates any provision of this Section 5, the Company shall be entitled to recover all costs and expenses of enforcement, including reasonable attorneys' fees, and the time periods set forth above shall be extended for the period of time Executive remains in violation of the provisions.

(i) Release. Executive's execution of a complete and general release of any and all of Executive's potential claims (other than for benefits and payments described in this Agreement or

any other vested benefits with the Company and/or its Affiliates) against the Company, any of its Affiliates, and their respective successors and any officers, employees, agents, directors, attorneys, insurers, underwriters, and assigns of the Company or its Affiliates and/or successors, is an express condition of Executive's right to receive termination payments and benefits under this Agreement. Executive shall be required to execute within 45 days after Executive's termination of employment (or such shorter period of time as specified by the Company) the Company's standard form of general waiver and release agreement which documents the release required under this Section 5.

6. Survival. Sections 5, 6, 8, 10, and 12 - 17, and such other provisions hereof as may so indicate shall survive and continue in full force and effect in accordance with their respective terms, notwithstanding any termination of the Term.

7. Notices. Any notice provided for in this Agreement shall be in writing and shall be delivered (i) personally, (ii) by certified mail, postage prepaid, (iii) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (iv) by facsimile or a PDF or similar attachment to an email, provided that such telecopy or email attachment shall be followed within one (1) business day by delivery of such notice pursuant to clause (i), (ii) or (iii) above. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):

If to the Company:

APREA THERAPEUTICS, INC.  
535 Boylston Street  
Boston, MA 02116  
Attention: Chief Executive Officer

If to Executive:

Eyal C. Attar, M.D.  
At the most recent address on file with the Company

With a copy to:

Sidley Austin LLP  
Attn: Geoffrey W. Levin, Esq.  
787 Seventh Avenue  
New York, NY 10019

8. Indemnification. During the Term, the Company agrees that it shall indemnify Executive and provide Executive with Directors & Officers liability insurance coverage to the same extent that it indemnifies and/or provides such insurance coverage to Board members and other most senior executive officers of the Company

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral,

which may have related in any manner to the subject matter hereof, including, without limitation, the Prior Agreement.

10. No Conflict. Executive represents and warrants that Executive is not bound by any employment contract, restrictive covenant, or other restriction preventing Executive from carrying out Executive's responsibilities for the Company, or which is in any way inconsistent with the terms of this Agreement. Executive further represents and warrants that Executive shall not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be enforceable by Executive and his heirs, executors and personal representatives, and the Company and its successors and assigns. Any successor or assignee of the Company shall assume the liabilities of the Company hereunder.

12. Governing Law. This Agreement shall be governed by the internal laws (as opposed to the conflicts of law provisions) of the State of Delaware.

13. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

14. Withholding. All payments and benefits under this Agreement are subject to withholding of all applicable taxes and other required deductions.

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

16. Company Policies. Executive shall be subject to additional Company policies as they may exist from time-to-time, including policies with regard to stock ownership by senior executives and policies regarding trading of securities.

17. Code Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and for such purposes, each payment to Executive under this Agreement shall be considered a separate payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement

are payable by reference to Executive's "termination of employment" such term and similar terms shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Executive hereby agrees to be bound by the Company's determination of its "specified employees" (as such term is defined in Section 409A of the Code) provided such determination is in accordance with any of the methods permitted under the regulations issued under Section 409A of the Code. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (i) each such payment which is conditioned upon Executive's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A of the Code) as of the date of Executive's separation from service, each such payment that is payable upon Executive's separation from service and would have been paid prior to the six-month anniversary of Executive's separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive's separation from service or (B) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by Employer under any applicable expense reimbursement policy, and shall be paid to Executive within 30 days following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit. To the extent that the Severance Payment payable hereunder is deemed to be a substitute for a payment provided under another agreement with the Executive, then the Severance Payment payable hereunder shall be paid at the same time and in the same form as such substituted payment to the extent required to comply with Section 409A of the Code.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**APREA THERAPEUTICS, INC.**

By: /s/ Christian S. Schade  
Name: Christian S. Schade  
Title: President and Chief Executive Officer

**EXECUTIVE**

By: /s/ Eyal C. Attar  
Name: Eyal C. Attar  
Title: Senior Vice President, Chief  
Medical Officer



**SEPARATION AND GENERAL RELEASE AGREEMENT**

This Separation and General Release Agreement (the “Agreement”) is made by and between **Eyal Attar** (the “Executive”) and Aprea Therapeutics, Inc. (the “Company”) (collectively, the “Parties”).

**WHEREAS**, the Company and Executive are parties to an Employment Agreement, dated as of October [ ], 2019 (the “Employment Agreement”);

**WHEREAS**, the Company is party to an Agreement and Plan of Merger, dated as of May 16, 2022, by and among the Company, ATR Merger Sub I Inc., a Delaware corporation and wholly owned Subsidiary of the Company, ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned Subsidiary of the Company, and Atrin Pharmaceuticals Inc., a Delaware corporation (the “Merger Agreement”);

**WHEREAS**, pursuant to the Merger Agreement, the Executive shall cease to serve as the Company’s Senior Vice President and Chief Medical Officer as of the three-month anniversary of the Closing Date (as defined in the Merger Agreement); and

**WHEREAS**, the Parties wish to set forth the terms of the Executive’s separation from the Company, including confirmation as to certain post-employment obligations that Executive has to the Company and/or its affiliates (collectively the “Company Group”).

**NOW, THEREFORE**, for good and valuable consideration, the sufficiency of which is acknowledged hereby, and in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

**1. Resignation from Offices and Directorships.** Effective as of the three-month anniversary of the Closing Date (the “Termination Date”), Executive shall resign from any and all officer and director positions with the Company Group, including from his positions as Senior Vice President and Chief Medical Officer. Executive agrees to promptly sign all appropriate documentation, if any, prepared by the Company Group to facilitate the resignations contemplated by this Section 1.

**2. Accrued Wages and Vested Benefits.** Regardless of whether or not the Executive signs this Agreement, promptly following the Termination Date, Executive shall receive payment for all wages (including, but not limited to, base salary, bonuses and commissions, overtime pay, incentive payments, and all accrued but unused paid time off) and benefits through and including the Termination Date that Executive earned during Executive’s employment with the Company Group. Executive understands and acknowledges that, apart from the terms and conditions of this Agreement, Executive shall not be entitled to any additional payments or benefits from the Company Group other than those expressly set forth in this Agreement. The Company shall reimburse Executive for all reasonable business expenses incurred in the performance of Executive’s services to the Company Group, upon receipt of supporting material for such expenses. In addition, Executive’s health care coverage shall terminate on the last day of the month in which the Termination Date occurs. Executive is eligible for continued health care coverage at his

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own expense pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”), as will be more fully explained in a notice to be separately provided.

### 3. Separation Payments.

(a) **General.** In exchange for and in consideration of the covenants and promises contained herein, including (i) the Executive’s release of all claims against the Company and the Released Parties as set forth in this Agreement and (ii) the execution of the Post Employment Release attached hereto as Exhibit A, which shall be executed within 45 days following the Termination Date, the Company will provide the Executive with the following Separation Payments and Benefits:

- i. **Separation Payment.** The Company shall pay Executive an amount equal to nine months of the Executive’s base salary, as in effect immediately prior to the Closing Date (the “Severance Payment”), payable during the nine-month period following the Termination Date, with the Severance Payment commencing as soon as administratively feasible within 60 days following the Termination Date and the first installment payment including the portion of the Severance Payment that was payable prior to such first payment date;
- ii. **Annual Bonus.** The Company shall pay Executive an annual bonus for the year of termination equal to the Executive’s target annual bonus opportunity, payable within 60 days following the Termination Date, subject to proration based on the number of days in the calendar year that have elapsed prior to the date of termination; and
- iii. **COBRA Reimbursement.** Following the Termination Date, the Company shall pay to the Executive (or to the Executive’s family in the event of Executive’s death) on a monthly basis an amount equal to the monthly amount of the COBRA continuation coverage premium for such month, at the same level and cost to the Executive (or the Executive’s family in the event of Executive’s death) as immediately preceding the Termination Date, under the Company group medical plan in which the Executive participated immediately preceding the Termination Date, less the amount of the Executive’s portion of such monthly premium as in effect immediately preceding the Termination Date, until the earlier of (A) nine months after the Termination Date and (B) the Executive and Executive’s family have obtained other substantially similar healthcare coverage.

(b) **Full Settlement Consideration.** The Executive acknowledges and agrees that unless the Executive enters into this Agreement, the Executive would not

otherwise be entitled to receive the consideration set forth in Section 3(a) above. The Executive further acknowledges and agrees that: (i) the Executive shall not receive, and is not entitled to receive, any other payments, benefits or remuneration of any kind from the Company Group or the Released Parties, except as set forth in this Agreement, and (ii) the period of continued employment and consideration set forth in Section 2 and Section 3 of this Agreement constitute full accord and satisfaction for all amounts due and owing to the Executive, including all salary, wages, incentive compensation, commissions, paid time off, reimbursements or other payments, benefits or remuneration of any kind which may have been due and owing to the Executive.

(c) **Tax Withholding.** All payments made by the Company shall be subject to any mandatory deductions and withholdings.

**4. Indemnification and Insurance.** Subject to applicable law, the Executive will be provided indemnification to the maximum extent permitted by the Company's Amended and Restated Bylaws and Amended and Restated Certificate of Incorporation, including coverage, if applicable, under any directors and officers insurance policies, with such indemnification determined by the Board of Directors of the Company (the "Board") or any of its committees in good faith based on principles consistently applied (subject to such limited exceptions as the Board may approve in cases of hardship) and on terms no less favorable than those provided to any other Company executives, officers or directors. The rights to indemnification conferred hereby shall include, to the extent permitted by applicable law, the right to be paid by the Company the legal fees and other costs, expenses and disbursements incurred in defending any action, suit, proceeding or investigation with respect to which the Executive is entitled to indemnification in advance of its final disposition subject to receipt by the Company of an undertaking by the Executive to repay such amount, or a portion thereof, if it shall ultimately be adjudicated that the Executive is not entitled to be indemnified by the Company pursuant hereto or as otherwise permitted by law, but such repayment by the Executive shall only be in an amount ultimately adjudicated to exceed the amount for which the Executive was entitled to be indemnified. The advances to be made pursuant to such right shall be paid by the Company to the Executive promptly following receipt by the Company of invoices or other evidence reasonably satisfactory to the Company.

**5. General Release.** In consideration for the Separation Payments and Benefits outlined in Section 3(a) of this Agreement, to which Executive is not otherwise entitled, Executive, and anyone claiming through Executive or on Executive's behalf, hereby generally and completely releases and waives each and every past, present, and future parent, division, subsidiary, partnership, owner, trustee, fiduciary, administrator, member, shareholder, investor, associate, affiliate, predecessor, successor and related company, and all of their current or former agents, officers, directors, partners, representatives, attorneys, contractors, insurance companies, administrators, successors, assigns, current and former employees, plan administrators, insurers, and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, the predecessors, successors, and assigns of each entity listed above, and each of them ("Released Parties"), from any and all claims, rights, debts, liabilities, demands,

causes of action, obligations, and damages, known or unknown, suspected or unsuspected, arising as of or prior to the date of Executive's signature to this Agreement, under federal, state, local, or common law, including but not limited to claims in any way related to Executive's employment with the Released Parties, Executive's separation from employment, the terms and conditions of Executive's employment, any claims for breach of contract (express, implied or otherwise), including, but not limited to, any payments or benefits under any severance plan, stock option plan, or equity plan; all claims under the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the Fair Credit Reporting Act, the Americans with Disabilities Act, the Worker Adjustment and Retraining Notification Act, the Age Discrimination In Employment Act, the Older Workers Benefit Protection Act, and/or the laws prohibiting discrimination, harassment, and/or retaliation in any state in which you are employed, and any and all federal, state, and local employment laws, as well as any and all common law tort or contract theories under federal, state or local laws ("Released Claims").

(a) *Exceptions.* Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prohibits Executive (or his attorney) from confidentially or otherwise communicating or filing a charge or complaint with a governmental or regulatory entity, participating in a governmental or regulatory entity investigation, or giving other disclosures to a governmental or regulatory entity concerning suspected violations of the law, in each case without receiving prior authorization from or having to disclose any such conduct to the Company, or from responding if properly subpoenaed or otherwise required to do so under applicable law. Nothing in this Agreement shall be construed to affect the Equal Employment Opportunity Commission's ("Commission"), National Labor Relations Board's, the Occupational Safety and Health Administration's, and the Securities and Exchange Commission's, or any federal, state, or local governmental agency or commission's ("Governmental Agencies") or any state agency's independent right and responsibility to enforce the law, nor does this Agreement affect Executive's right to file a charge or participate in an investigation or proceeding conducted by either the Commission or any such Governmental Agency, although this Agreement does bar any claim that Executive might have to receive monetary damages in connection with any Commission or Governmental Agency proceeding concerning matters covered by this Agreement. This Agreement does not limit Executive's right to receive an award or bounty for information provided to any Governmental Agencies, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). Further, nothing in this Agreement prohibits Executive from testifying in an administrative, legislative or judicial proceeding regarding alleged criminal conduct or harassment, when Executive has been required or requested to attend a proceeding pursuant to court order, subpoena, or written request from an administrative agency or the legislature. Moreover, nothing in this Agreement prevents the disclosure of factual information relating to claims of sexual assault, harassment, discrimination, failure to prevent harassment or discrimination, or retaliation against a person for reporting an act of

harassment or discrimination, to the extent the claims are filed in a civil or administrative action, and to the extent such disclosures are protected by law.

(b) Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement, any rights Executive may have under COBRA, any rights Executive may have under any ERISA-covered employee benefit plan, and does not release Executive's eligibility for indemnification in accordance with applicable laws, the Company's Amended and Restated Certificate of Incorporation and the Company's Amended and Restated Bylaws.

(d) *Release of Claims Under the Age Discrimination in Employment Act.* The Executive specifically releases the Released Parties from any and all claims, actions, causes of action, obligations for damages (including but not limited to compensatory, exemplary and punitive damages), losses, expenses, attorneys' fees or costs, back pay, loss of earnings, debts, reinstatement, for causes of action that he may have as of the date on which this Agreement is executed (the "Execution Date") arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. 621, *et seq.* and its state or local equivalent ("ADEA"). The Executive further agrees that:

- i. his waiver of rights under this Agreement is knowing and voluntary and in compliance with the Older Workers Benefit Protection Act of 1990 ("OWBPA");
- ii. he understands the terms of this Agreement;
- iii. the consideration provided in this Agreement represents consideration over and above that to which he would be entitled, that the consideration would not have been provided had he not signed this Agreement, and that the consideration is in exchange for the signing of this Agreement;
- iv. the Executive is hereby advised in writing to consult with his attorney prior to executing this Agreement, and he affirms he has done so;
- v. the Executive has been given a period of forty-five days (45) within which to consider this Agreement;
- vi. following the Execution Date, the Executive has seven (7) days in which to revoke this Agreement as to claims under the ADEA, only, by written notice as provided in Section 12 of this Agreement;
- vii. this Section 5(d) does not waive rights or claims that may arise under the ADEA after the Execution Date.

(e) *Older Workers Benefit Protection Act Disclosure Notice.* The Older Workers Benefit Protection Act ("OWBPA") requires that employers provide specific information to employees who are 40 years of age or older and asked to execute a release of claims in connection with a group termination program. Executive acknowledges and

agrees that the Executive received with this Agreement and reviewed a copy of the Memorandum attached as Exhibit B hereto. If the information reflected in Exhibit B changes during the time period for Executive's review of this Agreement or the Post Employment Release, Executive will be provided with an updated Exhibit B.

(f) The Executive hereby waives any right that the Executive may have to seek or to share in any relief, monetary or otherwise, relating to any claim released herein, whether such claim was initiated by the Executive or not.

**6. Non-Disclosure.** The terms of this Agreement, including all related facts, circumstances, statements and documents, shall not be admissible or submitted as evidence in any litigation, in any forum, for any purpose, other than to secure enforcement of the terms and conditions of this agreement, or as may otherwise be required by law. Notwithstanding anything contained in this section to the contrary, neither Executive nor any other person shall be prohibited from making truthful statements in connection with any litigation, arbitration, deposition or other legal proceeding, or as may be required by law, any subpoena or any governmental or quasi-governmental authority. nothing in this Agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Executive has reason to believe is unlawful. The U.S. Defend Trade Secrets Act of 2016 provides that: (a) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade in the court proceeding, if the individual (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement prohibits or creates liability for any such protected conduct.

**7. Continuing Obligations.**

(a) *Confidential Information and Restricted Activities.* By signing this Agreement, Executive represents that Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on Executive pursuant to this Section 7 (collectively, the "Restrictive Covenant Agreements"). For purposes of the Restrictive Covenant Agreements, "Company" shall mean the Company and all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, or an equity interest of 50% or more (direct or indirect) (collectively, "Affiliates"). In consideration for the Separation Payments and Benefits outlined in Section 3(a) of this Agreement, to which Executive is not otherwise entitled, Executive agrees that during Executive's employment and for the twelve month period following the Termination Date (the "Restricted Period") Executive will not (without the Company's prior written consent), whether as owner, partner, shareholder, director, consultant, agent, employee, co-venturer

or otherwise, (i) engage, participate or invest in any business activity anywhere in the world that develops, markets or sells any products, or performs or sells any services that directly or indirectly target the pharmacological restoration of normal function to wild type or missense-mutant P53 in oncologic applications; provided that this shall not prohibit any investment by Executive in publicly traded stock of a company representing less than two percent of the stock of such company, (ii) (A) solicit or attempt to solicit, or (B) take away or divert from the Company, or attempt to take away or divert from the Company, the business or patronage of any customer(s) known to Executive with respect to which Executive was involved in soliciting, in each case at any time during the twelve-month period that immediately preceded the termination of Executive's employment with the Company and with which, as a result of Executive's employment with the Company, Executive had business dealings or about which Executive acquired confidential information, or (iii) (A) recruit or attempt to recruit, solicit or attempt to solicit, hire or attempt to hire, interfere with or endeavor to entice away or (B) assist in recruiting or attempting to recruit, soliciting or attempting to solicit, hiring or attempting to hire, interfering with or enticing away any person who is or was employed by the Company or is or was an agent, representative or consultant of the Company within the six-month period preceding the termination of Executive's employment with the Company. Executive agrees without reservation that these restraints are necessary for the reasonable and proper protection of the Company, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. Executive expressly consents to be bound by the provisions of the Restrictive Covenant Agreements for the benefit of the Company or any Affiliate or successor. Executive acknowledges that this Agreement affords Executive with a period of seven (7) days in which to revoke Executive's consent to this Agreement, as more fully described in Section 13.

(b) *Return of Property.* The Executive agrees and acknowledges that all written materials, records, documents, electronic files and any other tangible items made by the Executive or coming into his possession during his employment by the Company Group concerning the business or affairs of the Company Group are the sole property of the Company. The Executive represents and warrants that, within ten days following the Termination Date: (i) he shall return to the Company all such Company Group property (and any copies thereof), including, but not limited to, all identification cards, keys, credit cards, documents, computers, cell phones, and disks, as well as all materials containing confidential information, in any form; and (ii) he shall destroy (and not retain) any of the Company Group's confidential information on his personal computer (or any other personal electronic device in his possession, custody or control); provided, however, that the Executive shall be entitled to retain the mobile telephone and laptop issued to him by the Company, following disconnection by the Company's IT staff of all Company Group property on such laptop and mobile telephone. Executive shall be entitled to port the mobile telephone number to his own service.

(c) *Non-Disparagement.* Executive will not make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that any member of the Company Group engaged in any wrongful, unlawful or improper conduct, whether relating to

Executive's employment (or the termination thereof), the business or operations of the Company Group, or otherwise or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the Company Group. Nothing herein will be deemed to preclude Executive from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or activities.

(d) *Blue-Penciling.* If, at the time of enforcement of any of the provisions of Section 7 of this Agreement (or the provisions of the Employment Agreement), it shall be adjudged that the duration, scope, geographic area or other restrictions stated therein are unreasonable under circumstances then existing, the Executive and the Company agree that the maximum duration, scope, geographic area or other restrictions deemed reasonable under such circumstances by such court shall be substituted for the stated duration, scope, geographic area or other restrictions.

(e) *Enforcement of Agreement; Relief.* Executive acknowledges and agrees that the Restrictive Covenant Agreements and all other provisions of this Agreement and the Employment Agreement that are intended to endure beyond the terms of Executive's employment shall survive the termination of Executive's employment and that any violation of any of the Restrictive Covenant Agreements will cause immediate and irreparable damage to the Company, entitling it to specific performance, injunctive relief and other equitable remedies. The Executive further acknowledges and agrees that the provisions of Section 7 of this Agreement (and the provisions of the Employment Agreement) are reasonable and necessary to protect the legitimate business interests of the Company Group. Executive specifically consents to the issuance of temporary, preliminary, and permanent injunctive relief to enforce the terms of this Agreement. In addition to injunctive relief, the Company is entitled to all money damages available under the law. If Executive breaches any of the covenants contained in the Restrictive Covenant Agreements, in addition to the Company's other legal and equitable remedies, the Company may cease any termination benefits to which Executive might otherwise be entitled. Any such termination of the termination benefits by the Company in the event of a breach by Executive shall not affect Executive's ongoing obligations to the Company including pursuant to this Agreement.

(f) *Transition Cooperation.* In consideration for the payments and agreements set forth herein, including but not limited to the accelerated equity vesting provided under Section 3(a), Executive will cooperate in the transition of his work related to the business issues and projects Executive was involved in while employed by the Company Group and Executive will be available to provide such transitional assistance as may be requested by the Company, provided there is no interference with any other employment Executive may then have.

**8. Section 409A Compliance.** This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from



Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and for such purposes, each payment to Executive under this Agreement shall be considered a separate payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code (“409A Penalties”), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive’s “termination of employment” such term and similar terms shall be deemed to refer to Executive’s “separation from service,” within the meaning of Section 409A of the Code. Executive hereby agrees to be bound by the Company’s determination of its “specified employees” (as such term is defined in Section 409A of the Code) provided such determination is in accordance with any of the methods permitted under the regulations issued under Section 409A of the Code. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (i) each such payment which is conditioned upon Executive’s execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A of the Code) as of the date of Executive’s separation from service, each such payment that is payable upon Executive’s separation from service and would have been paid prior to the six-month anniversary of Executive’s separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive’s separation from service or (B) the date of Executive’s death.

**9. Entire Agreement.** The Executive acknowledges and agrees that this Agreement reflects the entire agreement between the Parties regarding the subject matter hereof and fully supersedes any and all prior agreements and understandings between the Parties hereto, except for the Employment Agreement, which remains valid and binding and shall continue in full force and effect. There is no other agreement except as stated herein. The Executive acknowledges that the Company Group has made no promises to the Executive other than those contained in this Agreement.

**10. Modification.** This Agreement may not be changed unless the change is in writing and signed by the Executive and an authorized representative of the Company.

**11. General Provisions.** The failure of any party to insist on strict adherence to any term hereof on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term hereof. The language and all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties, regardless of who drafted it. This Agreement may be signed in counterparts, and may be delivered by facsimile or electronic mail. The invalidity of any provision of this Agreement shall not affect the validity of any other provision hereof.

**12. Review Period.** The Executive understands that the Company has given him a period of forty-five (45) calendar days to review and consider this Agreement before signing it (the “Review Period”). The Executive further understands that he may use as much of this period as he wishes prior to signing this Agreement and should Executive sign and return the Agreement prior to the expiration of the review Period, he waives any remaining portion thereof. The Executive acknowledges and agrees that he must sign and return the original Agreement to the Company, c/o Scott Coiante, 535 Boylston Street, Boston, MA 02116 (“Company’s Representative”), no later than the expiration of the Review Period and that, if he fails to do so, the entire Agreement shall be null and void and the Parties shall have no obligations under the Agreement to one another. The Executive acknowledges that, to the extent that he decides to sign this Agreement prior to the expiration of the above period, such decision was knowing and voluntary on his part.

**13. Revocation Period.** The Executive may revoke this Agreement within seven (7) calendar days of the date on which he signs it (the “Revocation Period”) by delivering a written notice of revocation to the Company, c/o Scott Coiante, 535 Boylston Street, Boston, MA 02116, no later than the close of business on the seventh day after the Execution Date. This Agreement shall not be effective or enforceable and no payments will be made hereunder until: (a) the Executive has signed and returned this Agreement to the Company within the review period set forth above, (b) the Revocation Period has expired without the Executive exercising his revocation right (the “Effective Date”).

**14. Choice of Law.** This Agreement shall in all respects be interpreted, enforced and governed in accordance with and pursuant to the laws of the State of Delaware, without regard to its conflicts or choice of law principles.

**15. Arbitration.** The Parties agree that any and all disputes between the Executive and the Company arising out of, relating to or concerning this Agreement or the Executive’s employment shall be submitted exclusively to confidential, final and binding arbitration before the American Arbitration Association. The Parties hereby agree to arbitrate any disputes, in Delaware, under the American Arbitration Association’s then existing Employment Arbitration Rules which can be found at [https://adr.org/sites/default/files/EmploymentRules\\_Web\\_2.pdf](https://adr.org/sites/default/files/EmploymentRules_Web_2.pdf), and both parties specifically consent to personal jurisdiction in such forum. Each party shall pay its own expenses of arbitration and the expenses of the arbitrator shall be equally shared by the Parties to the arbitration. Nothing herein shall prevent the Company from seeking and obtaining injunctive relief from a court with respect to any violation or potential violation of any of the provisions of Section 7 of this Agreement. The Parties specifically waive their respective right to a trial by jury for any dispute, claim, controversy, or cause of action arising out of, relating to or concerning this Agreement.

**16. Legal Counsel.** The Executive is hereby advised of his right to consult with an attorney before signing this Agreement, which includes a general release and a jury trial waiver. The Executive hereby acknowledges the Executive’s right to consult with an attorney.

**THE EXECUTIVE ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS AGREEMENT, UNDERSTANDS IT, AND IS VOLUNTARILY ENTERING INTO IT OF HIS OWN FREE WILL, WITHOUT DURESS OR COERCION, AFTER DUE CONSIDERATION OF ITS TERMS AND CONDITIONS.**

**APREA THERAPEUTICS, INC.**

**EYAL ATTAR**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT A

### POST EMPLOYMENT RELEASE

#### TO BE EXECUTED ONLY AFTER THE TERMINATION DATE

1. *Release.* In consideration for the benefits (the “**Severance Benefits**”) outlined in the Separation Agreement, dated as of [\_\_\_\_ \_], 2022 with **Apria Therapeutics, Inc.** (the “Company”), to which I am not otherwise entitled, I hereby generally and completely release the Company and its affiliated entities (collectively “**Company Entities**”) and their directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns 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 the time I sign this Release. This general release includes, but is not limited to: (1) all claims arising out of or in any way related to my employment with the Company or the termination of that employment; (2) all claims related to my 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 interests in the Company; (3) all claims for breach of contract, wrongful termination or breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (5) 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 (as amended) (“**ADEA**”), Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 (“**ERISA**”) (except for any vested benefits under any tax qualified benefit plan), the Immigration Reform and Control Act, the Workers Adjustment and Retraining Notification Act, the Fair Credit Reporting Act; and (6) any other federal, state or local law, rule, regulation, or ordinance; (7) any public policy, contract, tort, or common law; and (8) any basis for recovering costs, fees, or other expenses including attorneys’ fees incurred in these matters. This Release does not apply to (x) claims which cannot be released as a matter of law, (y) any right I may have to enforce the Agreement, or (z) my eligibility for indemnification and similar matters in accordance with applicable laws, the articles, charter and bylaws of the Company or any indemnification agreement I have with the Company.

2. *ADEA Waiver.* I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I have under the ADEA and that the consideration given for the waiver and release is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that:

- (a) my waiver and release specified in this paragraph do not apply to any rights or claims that arise after the date I sign this Release;
  - (b) I have the right to consult with an attorney prior to signing this Release;
-

(c) I have forty-five (45) days to consider this Release (although I may choose voluntarily to sign this Release earlier);

(d) I have seven (7) days after I sign this Release to revoke the Release; and

(e) this Release will not be effective until the date on which the revocation period has expired, which will be the eighth day after I sign this Release, assuming I have returned it to the Company by such date.

3. *Older Workers Benefit Protection Act Disclosure Notice.* The Older Workers Benefit Protection Act (“**OWBPA**”) requires that employers provide specific information to employees who are 40 years of age or older and asked to execute a release of claims in connection with a group termination program. I acknowledge and agree that I have received and reviewed a copy of the Memorandum attached as Exhibit B hereto. I understand that if the information reflected in Exhibit B changes during the time period for my review of this Post Employment Release, I will be provided with an updated Exhibit B.

This Release, together with the Agreement, constitutes the entire understanding of the parties on the subjects covered.

EXECUTIVE:

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Eyal Attar

Dated:

**EXHIBIT B TO SEPARATION AND GENERAL RELEASE AGREEMENT**

As you have been informed, your employment with Aprea Therapeutics, Inc. (the “Company”) is being terminated in connection with the merger of the Company with Atrin Pharmaceuticals Inc. Persons in the Company whose employment is being terminated have been selected based, as applicable, on the Company’s business need for the employee’s position or services, employee performance, skills and experience, leadership and management ability, utilization, recency of hire, applicability of skills and experience across multiple accounts, team assignment, and team performance.

As you have also been notified, you therefore are eligible for and being offered severance benefits. To be eligible for a severance benefit, an employee must: (a) have had his or her employment involuntarily terminated by the Company as a direct consequence of the merger between the Company and Atrin Pharmaceuticals Inc. (and not, for example, due to the employee’s voluntary resignation or involuntary termination by the Company for cause as determined in the sole discretion of the Company); and (b) sign and return a Separation and General Release Agreement provided by the Company (the “Agreement”) within 45 days after receiving the Agreement, and not revoke the Agreement within 7 days after signing it. The Agreement contains, among other things, a waiver and release of any claims against the Company and related entities and persons.

A copy of your Agreement is attached, which describes the severance benefit being offered to you. As stated, should you wish to accept the Agreement, you must sign and return it to the Company, c/o [NAME], within 45 days after receiving it. You should carefully review the Agreement, including to understand your right to revoke the Agreement within 7 days after you have signed it (if you revoke it, you will not receive the special severance benefit under the Agreement).

The relevant decisional unit described in this disclosure is the [\_\_\_\_\_Department of the Company]. This information is current as of [DATE].

The following is a listing of the ages and job titles of Company employees in the decisional unit whose employment is being terminated in connection with the merger of the Company and Atrin Pharmaceuticals Inc., and thus are eligible for and being offered a severance benefit in exchange for signing an Agreement:

<b>Job Title</b>	<b>Age</b>
<b><i>[INDIVIDUALLY LIST ALL THOSE BEING TERMINATED, INCLUDING POSITION, GRADE (IF APPLICABLE) AND AGE – <u>NOT NAME</u>]</i></b>	




The following is a listing of the ages and job titles of Company employees in the decisional unit whose employment is not being terminated in connection with the merger of the Company and Atrin Pharmaceuticals Inc., and thus are not eligible to receive a severance benefit in exchange for signing an Agreement:

<b>Job Title</b>	<b>Age</b>
<b><i>[INDIVIDUALLY LIST ALL THOSE BEING RETAINED, INCLUDING POSITION, GRADE (IF APPLICABLE) AND AGE – <u>NOT NAME</u>]</i></b>	



**SEPARATION AND GENERAL RELEASE AGREEMENT**

This Separation and General Release Agreement (the “Agreement”) is made by and between **Lars Abrahmsen** (the “Executive”) and Aprea Therapeutics, Inc. (the “Company”) (collectively, the “Parties”).

**WHEREAS**, the Company and Executive are parties to an Employment Agreement, dated as of September 7, 2016 (the “Employment Agreement”);

**WHEREAS**, the Company is party to an Agreement and Plan of Merger, dated as of May 16, 2022, by and among the Company, ATR Merger Sub I Inc., a Delaware corporation and wholly owned Subsidiary of the Company, ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned Subsidiary of the Company, and Atrin Pharmaceuticals Inc., a Delaware corporation (the “Merger Agreement”);

**WHEREAS**, pursuant to the Merger Agreement, the Executive shall cease to serve as the Company’s Senior Vice President and Chief Scientific Officer as of the three-month anniversary of the Closing Date (as defined in the Merger Agreement); and

**WHEREAS**, the Parties wish to set forth the terms of the Executive’s separation from the Company, including confirmation as to certain post-employment obligations that Executive has to the Company and/or its affiliates (collectively the “Company Group”).

**NOW, THEREFORE**, for good and valuable consideration, the sufficiency of which is acknowledged hereby, and in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

**1. Resignation from Offices and Directorships.** Effective as of the three-month anniversary of the Closing Date (the “Termination Date”), Executive shall resign from any and all officer and director positions with the Company Group, including from his positions as Senior Vice President and Chief Scientific Officer. Executive agrees to promptly sign all appropriate documentation, if any, prepared by the Company Group to facilitate the resignations contemplated by this Section 1.

**2. Accrued Wages and Vested Benefits.** Regardless of whether or not the Executive signs this Agreement, promptly following the Termination Date, Executive shall receive payment for all wages (including, but not limited to, base salary, bonuses and commissions, overtime pay, incentive payments, and all accrued but unused paid time off) and benefits through and including the Termination Date that Executive earned during Executive’s employment with the Company Group. Executive understands and acknowledges that, apart from the terms and conditions of this Agreement, Executive shall not be entitled to any additional payments or benefits from the Company Group other than those expressly set forth in this Agreement. The Company shall reimburse Executive for all reasonable business expenses incurred in the performance of Executive’s services to the Company Group, upon receipt of supporting material for such expenses. In addition, Executive’s health care coverage shall terminate on the last day of the month in which the Termination Date occurs.

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### 3. Separation Payments.

(a) **General.** In exchange for and in consideration of the covenants and promises contained herein, including (i) the Executive's release of all claims against the Company and the Released Parties as set forth in this Agreement and (ii) the execution of the Post Employment Release attached hereto as Exhibit A, which shall be executed within 45 days following the Termination Date, the Company will provide the Executive with the following Separation Payments and Benefits:

- i. **Separation Payment.** The Company shall pay Executive an amount equal to nine months of the Executive's base salary, as in effect immediately prior to the Closing Date (the "Severance Payment"), payable during the nine-month period following the Termination Date, with the Severance Payment commencing as soon as administratively feasible within 60 days following the Termination Date and the first installment payment including the portion of the Severance Payment that was payable prior to such first payment date;
- ii. **Annual Bonus.** The Company shall pay Executive an annual bonus for the year of termination equal to the Executive's target annual bonus opportunity, payable within 60 days following the Termination Date, subject to proration based on the number of days in the calendar year that have elapsed prior to the date of termination; and

(b) **Full Settlement Consideration.** The Executive acknowledges and agrees that unless the Executive enters into this Agreement, the Executive would not otherwise be entitled to receive the consideration set forth in Section 3(a) above. The Executive further acknowledges and agrees that: (i) the Executive shall not receive, and is not entitled to receive, any other payments, benefits or remuneration of any kind from the Company Group or the Released Parties, except as set forth in this Agreement, and (ii) the period of continued employment and consideration set forth in Section 2 and Section 3 of this Agreement constitute full accord and satisfaction for all amounts due and owing to the Executive, including all salary, wages, incentive compensation, commissions, paid time off, reimbursements or other payments, benefits or remuneration of any kind which may have been due and owing to the Executive.

(c) **Tax Withholding.** All payments made by the Company shall be subject to any mandatory deductions and withholdings.

4. **Indemnification and Insurance.** Subject to applicable law, the Executive will be provided indemnification to the maximum extent permitted by the Company's Amended and Restated Bylaws and Amended and Restated Certificate of Incorporation, including coverage, if applicable, under any directors and officers insurance policies, with such indemnification determined by the Board of Directors of the Company (the "Board")

or any of its committees in good faith based on principles consistently applied (subject to such limited exceptions as the Board may approve in cases of hardship) and on terms no less favorable than those provided to any other Company executives, officers or directors. The rights to indemnification conferred hereby shall include, to the extent permitted by applicable law, the right to be paid by the Company the legal fees and other costs, expenses and disbursements incurred in defending any action, suit, proceeding or investigation with respect to which the Executive is entitled to indemnification in advance of its final disposition subject to receipt by the Company of an undertaking by the Executive to repay such amount, or a portion thereof, if it shall ultimately be adjudicated that the Executive is not entitled to be indemnified by the Company pursuant hereto or as otherwise permitted by law, but such repayment by the Executive shall only be in an amount ultimately adjudicated to exceed the amount for which the Executive was entitled to be indemnified. The advances to be made pursuant to such right shall be paid by the Company to the Executive promptly following receipt by the Company of invoices or other evidence reasonably satisfactory to the Company.

**5. General Release.** In consideration for the Separation Payments and Benefits outlined in Section 3(a) of this Agreement, to which Executive is not otherwise entitled, Executive, and anyone claiming through Executive or on Executive's behalf, hereby generally and completely releases and waives each and every past, present, and future parent, division, subsidiary, partnership, owner, trustee, fiduciary, administrator, member, shareholder, investor, associate, affiliate, predecessor, successor and related company, and all of their current or former agents, officers, directors, partners, representatives, attorneys, contractors, insurance companies, administrators, successors, assigns, current and former employees, plan administrators, insurers, and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, the predecessors, successors, and assigns of each entity listed above, and each of them ("Released Parties"), from any and all claims, rights, debts, liabilities, demands, causes of action, obligations, and damages, known or unknown, suspected or unsuspected, arising as of or prior to the date of Executive's signature to this Agreement, under federal, state, local, or common law, including but not limited to claims in any way related to Executive's employment with the Released Parties, Executive's separation from employment, the terms and conditions of Executive's employment, any claims for breach of contract (express, implied or otherwise), including, but not limited to, any payments or benefits under any severance plan, stock option plan, or equity plan; all claims under the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, the Equal Pay Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, the Genetic Information Nondiscrimination Act, the Fair Credit Reporting Act, the Americans with Disabilities Act, the Worker Adjustment and Retraining Notification Act, the Age Discrimination In Employment Act, the Older Workers Benefit Protection Act, and/or the laws prohibiting discrimination, harassment, and/or retaliation in any state in which you are employed, and any and all federal, state, and local employment laws, as well as any and all common law tort or contract theories under federal, state or local laws ("Released Claims").

(a) *Exceptions.* Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement prohibits Executive (or his attorney) from confidentially or otherwise communicating or filing a charge or complaint with a governmental or regulatory entity, participating in a governmental or regulatory entity investigation, or giving other disclosures to a governmental or regulatory entity concerning suspected violations of the law, in each case without receiving prior authorization from or having to disclose any such conduct to the Company, or from responding if properly subpoenaed or otherwise required to do so under applicable law. Nothing in this Agreement shall be construed to affect the Equal Employment Opportunity Commission's ("Commission"), National Labor Relations Board's, the Occupational Safety and Health Administration's, and the Securities and Exchange Commission's, or any federal, state, or local governmental agency or commission's ("Governmental Agencies") or any state agency's independent right and responsibility to enforce the law, nor does this Agreement affect Executive's right to file a charge or participate in an investigation or proceeding conducted by either the Commission or any such Governmental Agency, although this Agreement does bar any claim that Executive might have to receive monetary damages in connection with any Commission or Governmental Agency proceeding concerning matters covered by this Agreement. This Agreement does not limit Executive's right to receive an award or bounty for information provided to any Governmental Agencies, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"). Further, nothing in this Agreement prohibits Executive from testifying in an administrative, legislative or judicial proceeding regarding alleged criminal conduct or harassment, when Executive has been required or requested to attend a proceeding pursuant to court order, subpoena, or written request from an administrative agency or the legislature. Moreover, nothing in this Agreement prevents the disclosure of factual information relating to claims of sexual assault, harassment, discrimination, failure to prevent harassment or discrimination, or retaliation against a person for reporting an act of harassment or discrimination, to the extent the claims are filed in a civil or administrative action, and to the extent such disclosures are protected by law.

(b) Execution of this Agreement does not bar any claim that arises hereafter, including (without limitation) a claim for breach of this Agreement, any rights Executive may have under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), any rights Executive may have under any ERISA-covered employee benefit plan, and does not release Executive's eligibility for indemnification in accordance with applicable laws, the Company's Amended and Restated Certificate of Incorporation and the Company's Amended and Restated Bylaws.

(d) *Release of Claims Under the Age Discrimination in Employment Act.* The Executive specifically releases the Released Parties from any and all claims, actions, causes of action, obligations for damages (including but not limited to compensatory, exemplary and punitive damages), losses, expenses, attorneys' fees or costs, back pay, loss of earnings, debts, reinstatement, for causes of action that he may have as of the date on which this Agreement is executed (the "Execution Date") arising under the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. 621, *et seq.* and its state or local equivalent ("ADEA"). The Executive further agrees that:

- i. his waiver of rights under this Agreement is knowing and voluntary and in compliance with the Older Workers Benefit Protection Act of 1990 (“OWBPA”);
- ii. he understands the terms of this Agreement;
- iii. the consideration provided in this Agreement represents consideration over and above that to which he would be entitled, that the consideration would not have been provided had he not signed this Agreement, and that the consideration is in exchange for the signing of this Agreement;
- iv. the Executive is hereby advised in writing to consult with his attorney prior to executing this Agreement, and he affirms he has done so;
- v. the Executive has been given a period of forty-five days (45) within which to consider this Agreement;
- vi. following the Execution Date, the Executive has seven (7) days in which to revoke this Agreement as to claims under the ADEA, only, by written notice as provided in Section 12 of this Agreement;
- vii. this Section 5(d) does not waive rights or claims that may arise under the ADEA after the Execution Date.

(e) *Older Workers Benefit Protection Act Disclosure Notice.* The Older Workers Benefit Protection Act (“OWBPA”) requires that employers provide specific information to employees who are 40 years of age or older and asked to execute a release of claims in connection with a group termination program. Executive acknowledges and agrees that the Executive received with this Agreement and reviewed a copy of the Memorandum attached as Exhibit B hereto. If the information reflected in Exhibit B changes during the time period for Executive’s review of this Agreement or the Post Employment Release, Executive will be provided with an updated Exhibit B.

(f) The Executive hereby waives any right that the Executive may have to seek or to share in any relief, monetary or otherwise, relating to any claim released herein, whether such claim was initiated by the Executive or not.

**6. Non-Disclosure.** The terms of this Agreement, including all related facts, circumstances, statements and documents, shall not be admissible or submitted as evidence in any litigation, in any forum, for any purpose, other than to secure enforcement of the terms and conditions of this agreement, or as may otherwise be required by law. Notwithstanding anything contained in this section to the contrary, neither Executive nor any other person shall be prohibited from making truthful statements in connection with any litigation, arbitration, deposition or other legal proceeding, or as may be required by law, any subpoena or any governmental or quasi-governmental authority. nothing in this Agreement prevents Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that

Executive has reason to believe is unlawful. The U.S. Defend Trade Secrets Act of 2016 provides that: (a) an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade in the court proceeding, if the individual (A) files any document containing the trade secret under seal, and (B) does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement prohibits or creates liability for any such protected conduct.

**7. Continuing Obligations.**

(a) *Confidential Information.* The Executive shall not at any time utilize, reproduce or disclose to any person or firm or company (unless required by the performance of the Executive's duties under this Agreement or by law) any information in respect of the Company or any of its associated companies that the Executive gained access to through Executive's employment with the Company and that the Company reasonably wishes to keep confidential. Confidential information shall include, without limitation and in whatever form, information concerning the Company and its associated companies: (i) business, current and potential business relations, business plans, strategic plans investigations, finances and financial statements; (ii) employees, terms of employment and other human resources matters; (iii) customers, suppliers and distributors; (iv) prices and pricing policies, marketing, sales methods, contracts; (v) trade secrets, know-how, methods, software programs, new products and services, safety devises, etc. Confidential information shall not include information that enters the public domain, other than through a breach by the Executive of an obligation of confidentiality owed to the Company or its associated companies.

(b) *Non-Competition.* The Parties hereby agree that the Executive in the course of Executive's employment has gained access to company-specific trade secrets that cannot be protected through patents or other similar registrations and which may cause the Company considerable harm if used for the benefit of a competing business. In consideration of the Separation Payments and Benefits outlined in Section 3(a) of this Agreement, to which Executive is not otherwise entitled, Executive agrees that for the twelve month period following the Termination Date (the "Restricted Period") Executive will not, directly or indirectly, whether alone or as a partner, officer, employee, director or executive or consultant, from engaging, participating or investing in any business activity anywhere in the world that develops, markets or sells any products, or performs or sells any services that directly or indirectly target the pharmacological restoration of normal function to wild type or missense-mutant p53 in oncologic applications.

(c) *Non-Solicitation.* In consideration for the Separation Payments and Benefits outlined in Section 3(a) of this Agreement, to which Executive is not otherwise entitled, Executive agrees that during the Restricted Period the Executive shall not, directly

or indirectly, engage or participate in professional contacts with anyone who, during the twelve (12) months preceding the termination of the Executive's employment, has been a customer or client of the Company or any of its associated companies or is a potential customer or client who has been actively approached by the Company or any of its associated companies, with the intention of persuading such customer or client/potential customer or client to change the business relationship, to cease to do business with or to refrain from initiating a business relationship with the Company or any of its associated companies. The Company may through written notification release the Executive from this obligation in specific cases. During the Restriction Period, the Executive shall not directly or indirectly solicit or attempt to solicit employees of the Company, or any of its associated companies, or use their services for any means other than for the benefit of the Company. The Company may through written notification release the Executive from this obligation in specific cases.

(d) *Return of Property.* The Executive agrees and acknowledges that all written materials, records, documents, electronic files and any other tangible items made by the Executive or coming into his possession during his employment by the Company Group concerning the business or affairs of the Company Group are the sole property of the Company. The Executive represents and warrants that, within ten days following the Termination Date: (i) he shall return to the Company all such Company Group property (and any copies thereof), including, but not limited to, all identification cards, keys, credit cards, documents, computers, cell phones, and disks, as well as all materials containing confidential information, in any form; and (ii) he shall destroy (and not retain) any of the Company Group's confidential information on his personal computer (or any other personal electronic device in his possession, custody or control); provided, however, that the Executive shall be entitled to retain the mobile telephone and laptop issued to him by the Company, following disconnection by the Company's IT staff of all Company Group property on such laptop and mobile telephone. Executive shall be entitled to port the mobile telephone number to his own service.

(e) *Non-Disparagement.* Executive will not make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that any member of the Company Group engaged in any wrongful, unlawful or improper conduct, whether relating to Executive's employment (or the termination thereof), the business or operations of the Company Group, or otherwise or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the Company Group. Nothing herein will be deemed to preclude Executive from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or activities.

(f) *Blue-Penciling.* If, at the time of enforcement of any of the provisions of Section 7 of this Agreement (or the provisions of the Employment Agreement), it shall be adjudged that the duration, scope, geographic area or other restrictions stated therein are unreasonable under circumstances then existing, the Executive and the Company agree that the maximum duration, scope, geographic area or

other restrictions deemed reasonable under such circumstances by such court shall be substituted for the stated duration, scope, geographic area or other restrictions.

(g) *Enforcement of Agreement; Relief.* Executive acknowledges and agrees that the Restrictive Covenant Agreements and all other provisions of this Agreement and the Employment Agreement that are intended to endure beyond the terms of Executive's employment shall survive the termination of Executive's employment and that any violation of any of the Restrictive Covenant Agreements will cause immediate and irreparable damage to the Company, entitling it to specific performance, injunctive relief and other equitable remedies. The Executive further acknowledges and agrees that the provisions of Section 7 of this Agreement (and the provisions of the Employment Agreement) are reasonable and necessary to protect the legitimate business interests of the Company Group. Executive specifically consents to the issuance of temporary, preliminary, and permanent injunctive relief to enforce the terms of this Agreement. In addition to injunctive relief, the Company is entitled to all money damages available under the law. If Executive breaches any of the covenants contained in the Restrictive Covenant Agreements, in addition to the Company's other legal and equitable remedies, the Company may cease any termination benefits to which Executive might otherwise be entitled. Any such termination of the termination benefits by the Company in the event of a breach by Executive shall not affect Executive's ongoing obligations to the Company including pursuant to this Agreement.

(h) *Transition Cooperation.* In consideration for the payments and agreements set forth herein, including but not limited to the accelerated equity vesting provided under Section 3(a), Executive will cooperate in the transition of his work related to the business issues and projects Executive was involved in while employed by the Company Group and Executive will be available to provide such transitional assistance as may be requested by the Company, provided there is no interference with any other employment Executive may then have.

**8. Section 409A Compliance.** This Agreement is intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and for such purposes, each payment to Executive under this Agreement shall be considered a separate payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment" such term and similar terms shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Executive hereby agrees to be bound by the Company's determination of its "specified employees" (as such term is defined in Section 409A of the Code) provided such



determination is in accordance with any of the methods permitted under the regulations issued under Section 409A of the Code. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (i) each such payment which is conditioned upon Executive's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A of the Code) as of the date of Executive's separation from service, each such payment that is payable upon Executive's separation from service and would have been paid prior to the six-month anniversary of Executive's separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive's separation from service or (B) the date of Executive's death.

**9. Entire Agreement.** The Executive acknowledges and agrees that this Agreement reflects the entire agreement between the Parties regarding the subject matter hereof and fully supersedes any and all prior agreements and understandings between the Parties hereto, except for the Employment Agreement, which remains valid and binding and shall continue in full force and effect. There is no other agreement except as stated herein. The Executive acknowledges that the Company Group has made no promises to the Executive other than those contained in this Agreement.

**10. Modification.** This Agreement may not be changed unless the change is in writing and signed by the Executive and an authorized representative of the Company.

**11. General Provisions.** The failure of any party to insist on strict adherence to any term hereof on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term hereof. The language and all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties, regardless of who drafted it. This Agreement may be signed in counterparts, and may be delivered by facsimile or electronic mail. The invalidity of any provision of this Agreement shall not affect the validity of any other provision hereof.

**12. Review Period.** The Executive understands that the Company has given him a period of forty-five (45) calendar days to review and consider this Agreement before signing it (the "Review Period"). The Executive further understands that he may use as much of this period as he wishes prior to signing this Agreement and should Executive sign and return the Agreement prior to the expiration of the review Period, he waives any remaining portion thereof. The Executive acknowledges and agrees that he must sign and return the original Agreement to the Company, c/o Scott Coiante, 535 Boylston Street, Boston, MA 02116 ("Company's Representative"), no later than the expiration of the Review Period and that, if he fails to do so, the entire Agreement shall be null and void and the Parties shall have no obligations under the Agreement to one another. The Executive acknowledges that, to the extent that he decides to sign this Agreement prior to the expiration of the above period, such decision was knowing and voluntary on his part.

**13. Revocation Period.** The Executive may revoke this Agreement within seven (7) calendar days of the date on which he signs it (the “Revocation Period”) by delivering a written notice of revocation to the Company, c/o Scott Coiante, 535 Boylston Street, Boston, MA 02116, no later than the close of business on the seventh day after the Execution Date. This Agreement shall not be effective or enforceable and no payments will be made hereunder until: (a) the Executive has signed and returned this Agreement to the Company within the review period set forth above, (b) the Revocation Period has expired without the Executive exercising his revocation right (the “Effective Date”).

**14. Choice of Law.** This Agreement shall in all respects be interpreted, enforced and governed in accordance with and pursuant to the laws of the State of Delaware, without regard to its conflicts or choice of law principles.

**15. Arbitration.** The Parties agree that any and all disputes between the Executive and the Company arising out of, relating to or concerning this Agreement or the Executive’s employment shall be submitted exclusively to confidential, final and binding arbitration before the American Arbitration Association. The Parties hereby agree to arbitrate any disputes, in Delaware, under the American Arbitration Association’s then existing Employment Arbitration Rules which can be found at [https://adr.org/sites/default/files/EmploymentRules\\_Web\\_2.pdf](https://adr.org/sites/default/files/EmploymentRules_Web_2.pdf), and both parties specifically consent to personal jurisdiction in such forum. Each party shall pay its own expenses of arbitration and the expenses of the arbitrator shall be equally shared by the Parties to the arbitration. Nothing herein shall prevent the Company from seeking and obtaining injunctive relief from a court with respect to any violation or potential violation of any of the provisions of Section 7 of this Agreement. The Parties specifically waive their respective right to a trial by jury for any dispute, claim, controversy, or cause of action arising out of, relating to or concerning this Agreement.

**16. Legal Counsel.** The Executive is hereby advised of his right to consult with an attorney before signing this Agreement, which includes a general release and a jury trial waiver. The Executive hereby acknowledges the Executive’s right to consult with an attorney.

**THE EXECUTIVE ACKNOWLEDGES THAT HE HAS CAREFULLY READ THIS AGREEMENT, UNDERSTANDS IT, AND IS VOLUNTARILY ENTERING INTO IT OF HIS OWN FREE WILL, WITHOUT DURESS OR COERCION, AFTER DUE CONSIDERATION OF ITS TERMS AND CONDITIONS.**

**APREA THERAPEUTICS, INC.**

**CHRISTIAN S. SCHADE**

By: /s/ Christian S. Shade

By: /s/ Lars Abrahmsen

Name: Christian S. Schade

Date: May 16, 2022

Title: Chief Executive Officer

Date: May 16, 2023

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**EXHIBIT A**  
**POST EMPLOYMENT RELEASE**  
**TO BE EXECUTED ONLY AFTER THE TERMINATION DATE**

1. *Release.* In consideration for the benefits (the “**Severance Benefits**”) outlined in the Separation Agreement, dated as of [\_\_\_\_], 2022 with Aprea Therapeutics, Inc. (the “Company”), to which I am not otherwise entitled, I hereby generally and completely release the Company and its affiliated entities (collectively “**Company Entities**”) and their directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns 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 the time I sign this Release. This general release includes, but is not limited to: (1) all claims arising out of or in any way related to my employment with the Company or the termination of that employment; (2) all claims related to my 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 interests in the Company; (3) all claims for breach of contract, wrongful termination or breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (5) 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 (as amended) (“**ADEA**”), Sections 1981 through 1988 of Title 42 of the United States Code, the Employee Retirement Income Security Act of 1974 (“**ERISA**”) (except for any vested benefits under any tax qualified benefit plan), the Immigration Reform and Control Act, the Workers Adjustment and Retraining Notification Act, the Fair Credit Reporting Act; and (6) any other federal, state or local law, rule, regulation, or ordinance; (7) any public policy, contract, tort, or common law; and (8) any basis for recovering costs, fees, or other expenses including attorneys’ fees incurred in these matters. This Release does not apply to (x) claims which cannot be released as a matter of law, (y) any right I may have to enforce the Agreement, or (z) my eligibility for indemnification and similar matters in accordance with applicable laws, the articles, charter and bylaws of the Company or any indemnification agreement I have with the Company.

2. *ADEA Waiver.* I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I have under the ADEA and that the consideration given for the waiver and release is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that:

- (a) my waiver and release specified in this paragraph do not apply to any rights or claims that arise after the date I sign this Release;



- (b) I have the right to consult with an attorney prior to signing this Release;
- (c) I have forty-five (45) days to consider this Release (although I may choose voluntarily to sign this Release earlier);
- (d) I have seven (7) days after I sign this Release to revoke the Release; and
- (e) this Release will not be effective until the date on which the revocation period has expired, which will be the eighth day after I sign this Release, assuming I have returned it to the Company by such date.

3. *Older Workers Benefit Protection Act Disclosure Notice.* The Older Workers Benefit Protection Act (“**OWBPA**”) requires that employers provide specific information to employees who are 40 years of age or older and asked to execute a release of claims in connection with a group termination program. I acknowledge and agree that I have received and reviewed a copy of the Memorandum attached as Exhibit B hereto. I understand that if the information reflected in Exhibit B changes during the time period for my review of this Post Employment Release, I will be provided with an updated Exhibit B.

This Release, together with the Agreement, constitutes the entire understanding of the parties on the subjects covered.

EXECUTIVE:

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Lars Abrahmsen

Dated:

**EXHIBIT B TO SEPARATION AND GENERAL RELEASE AGREEMENT**

As you have been informed, your employment with Aprea Therapeutics, Inc. (the “Company”) is being terminated in connection with the merger of the Company with Atrin Pharmaceuticals Inc. Persons in the Company whose employment is being terminated have been selected based, as applicable, on the Company’s business need for the employee’s position or services, employee performance, skills and experience, leadership and management ability, utilization, recency of hire, applicability of skills and experience across multiple accounts, team assignment, and team performance.

As you have also been notified, you therefore are eligible for and being offered severance benefits. To be eligible for a severance benefit, an employee must: (a) have had his or her employment involuntarily terminated by the Company as a direct consequence of the merger between the Company and Atrin Pharmaceuticals Inc. (and not, for example, due to the employee’s voluntary resignation or involuntary termination by the Company for cause as determined in the sole discretion of the Company); and (b) sign and return a Separation and General Release Agreement provided by the Company (the “Agreement”) within 45 days after receiving the Agreement, and not revoke the Agreement within 7 days after signing it. The Agreement contains, among other things, a waiver and release of any claims against the Company and related entities and persons.

A copy of your Agreement is attached, which describes the severance benefit being offered to you. As stated, should you wish to accept the Agreement, you must sign and return it to the Company, c/o [NAME], within 45 days after receiving it. You should carefully review the Agreement, including to understand your right to revoke the Agreement within 7 days after you have signed it (if you revoke it, you will not receive the special severance benefit under the Agreement).

The relevant decisional unit described in this disclosure is the [\_\_\_\_\_] Department of the Company]. This information is current as of [DATE].

The following is a listing of the ages and job titles of Company employees in the decisional unit whose employment is being terminated in connection with the merger of the Company and Atrin Pharmaceuticals Inc., and thus are eligible for and being offered a severance benefit in exchange for signing an Agreement:

<b>Job Title</b>	<b>Age</b>
<b><i>[INDIVIDUALLY LIST ALL THOSE BEING TERMINATED, INCLUDING POSITION, GRADE (IF APPLICABLE) AND AGE – NOT NAME]</i></b>	




The following is a listing of the ages and job titles of Company employees in the decisional unit whose employment is not being terminated in connection with the merger of the Company and Atrin Pharmaceuticals Inc., and thus are not eligible to receive a severance benefit in exchange for signing an Agreement:


<b>Job Title</b>	<b>Age</b>
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<b>[INDIVIDUALLY LIST ALL THOSE BEING RETAINED, INCLUDING POSITION, GRADE (IF APPLICABLE) AND AGE – <u>NOT</u> <u>NAME</u>]</b>	
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**Aprea Therapeutics, Inc.**

535 Boylston St.  
Boston, MA 02116

May 16, 2022

RE: Post-Transaction Employment

Dear Gregory Korbel,

As a critical team member and as an inducement for your to remain employed with Aprea Therapeutics, Inc. (the "Company") following the consummation of the transactions pursuant to that certain Agreement and Plan of Merger, dated as of May 16, 2022, by and among the Company, ATR Merger Sub I Inc., a Delaware corporation and wholly owned Subsidiary of the Company, ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned Subsidiary of the Company, and Atrin Pharmaceuticals Inc., a Delaware corporation (the "Merger Agreement"). If your employment is terminated by the Company without "cause" or by your due to "good reason" (each as defined in your Employment Agreement with the Company, dated as of July 15, 2016 (the "Employment Agreement")) on or prior to the one-year anniversary of the date of the Merger Agreement, you will be eligible to receive severance and benefits continuation under the Employment Agreement based on 12-months of severance. Except as modified herein, your Employment Agreement remains in effect.

*[Signature Page Follows.]*

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Sincerely,

**APREA THERAPEUTICS, INC.**

By: /s/ Christian S. Schade

Name: Christian S. Schade

Title: Chief Executive Officer

Accepted and Agreed to By:

/s/ Gregory A. Korbel  
Gregory A. Korbel

May 16, 2022  
Date

*[Signature Page - Post-Transaction Employment]*

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March 28, 2023

Via Email

Greg Korbel  
greg.korbel@gmail.com

Dear Greg:

This Separation Agreement and General Release (this “**Agreement**”) will confirm the arrangements we have discussed concerning the mutual understanding reached by Aprea Therapeutics, Inc. (the “**Company**”) and you regarding the cessation of your employment. Subject to your execution and non-revocation of this Agreement, your last day of work with the Company will be and your employment with the Company will end on March 31, 2023 (the “**Separation Date**”). Capitalized terms used herein and not otherwise defined have the meanings ascribed to such terms in the Employment Agreement by and between you and the Company dated as of July 15, 2016 (as amended, modified, or restated from time to time, the “**Employment Agreement**”).

1. Accrued Benefits. The Company will pay you all accrued salary earned through the Separation Date, subject to standard payroll deductions and applicable withholdings. You will be reimbursed for all reasonable business expenses you incurred through the Separation Date in accordance with the Company’s expense reimbursement policies. You must submit via e-mail, by April 30, 2023, your request for reimbursement for any such expenses, accompanied by proper documentation to usfinance@aprea.com. The payments discussed in this Section are “**Accrued Benefits**”. For clarity, in the event that you do not sign this Agreement or you revoke this Agreement, you will continue to remain employed with the Company and receive your salary in the ordinary course and in accordance with the Company’s standard payroll procedures.

2. Transition Period. You and the Company agree that certain matters in which you have been involved during your employment may necessitate your cooperation with the Company after the Separation Date. Accordingly, from the Separation Date through April 30, 2023, with reasonable notice and to the extent reasonably requested in writing by the Chief Executive Officer or any other officer of the Company, you agree to assist the Company and to cooperate fully with the Company and in good faith to take all actions and perform all acts to ensure (i) a smooth transition of your duties and responsibilities, and (ii) that matters for which you were involved with during your employment with the Company are completed in an efficient and timely manner; provided; that, you shall not be obligated to spend more than eight (8) hours per week providing the services contemplated by this Section 2.

3. Separation Benefit. You and the Company hereby acknowledge and agree that your employment with the Company is ending based on a mutual agreement between you and the Company. You hereby acknowledge and agree that your employment with the Company was not terminated by the Company with or without Cause and that you are not leaving the employment of the Company for “good reason”. Provided that you execute and do not revoke this Agreement, and that you otherwise comply with its terms and conditions, the Company agrees that it will pay you an amount equal to \$195,000, in accordance with the Company’s normal payroll procedures in equal parts beginning on the first payroll date after the Effective Date and ending on the six (6) month anniversary thereafter, less standard payroll deductions and applicable withholdings. The payments discussed in this Section are “**Separation Benefits**”.

4. No Further Payments or Benefits. You acknowledge that, except as expressly set forth above, you will not receive any compensation, including without limitation, salary, bonus, commissions,

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restricted units, equity, severance or any benefits before, on or after the Separation Date, and will not be entitled to, nor will you receive, any other payments or benefits except as expressly provided for herein. You acknowledge and agree that during your employment with the Company, you have received and been paid all compensation, including without limitation, salary, bonus, commissions, restricted units, equity, severance, or any other benefits, which are or could be due and owing to you. For avoidance of doubt, nothing in this paragraph shall affect the terms and conditions of the agreements underlying your outstanding restricted stock units or stock options in the Company.

5. Company Affiliation. Except as the Company may expressly approve in writing in connection with your services to be provided under Section 2, as of the Separation Date, you will not be, and will not hold yourself out as, an officer, employee, consultant, or representative of the Company or any of its affiliates, nor will you negotiate or enter into any agreements on behalf of the Company or any of its affiliates. You acknowledge and agree that, after the Separation Date, you will not possess any rights or claims to future employment with the Company or any of its affiliates.

6. Return of Company Property. You agree that you have returned, or will return not later than the earlier of (a) three (3) days after completion of any further assistance to the Company (as confirmed in writing to you by the Company) or (b) April 30, 2023, to the Company (i) any and all Company property that you have in your possession or control (including but not limited to Company computers with their files, data and licensed materials intact, keys, software, credit cards, network access devices, cell phones, electronic storage devices, tools, equipment, and Company property stored in any cloud account); and (ii) any and all originals or copies of any Company documents (and all copies thereof) that you have in your possession or control, including but not limited to any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions in whole or in part). You agree that you will make a diligent search to locate any such documents, property and information within the required timeframe. In addition, if you have used any personally owned computer, server, cloud account, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary data, materials or information, then within five (5) days after the Separation Date, you must provide the Company with a computer-useable copy of such information and then, to the fullest extent permitted by law, permanently delete and expunge such Company confidential or proprietary information from those systems without retaining any reproductions (in whole or in part); and you agree to provide the Company access to your system as requested to verify that the necessary copying and/or deletion is done. You agree that, after the applicable timeframes noted above, you will neither use nor possess Company property.

7. General Release of All Claims.

(a) General Release. In exchange for the consideration provided to you under this Agreement to which you would not otherwise be entitled, including but not limited to the Separation Benefits described in Section 2 above, and except as otherwise set forth in this Agreement, you, on behalf of yourself and, to the extent permitted by law, on behalf of your spouse, heirs, executors, administrators, assigns, and other persons or entities acting or purporting to act on your behalf, hereby generally and completely release, acquit and forever discharge the Company, its parents and subsidiaries, and its and their current and former directors, officers, employees, agents, successors, affiliates, and assigns (collectively, the “**Released Parties**”) of and 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 you sign this Agreement (collectively, the “**Released Claims**”). Without limiting the generality of the general release, the Released Claims include but are not limited to: (i) all claims arising out of or in any way related to your employment with the Company, or the termination of that employment; (ii) all claims related to your compensation or benefits from the Company, including salary, incentive compensation, expense reimbursements, severance, and fringe benefits; (iii) all contract claims; (iv) all tort claims, including claims for

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defamation, fraud, emotional distress, and negligence; and (v) all claims for discrimination, harassment, retaliation, other claims arising under any local, state or federal law, constitution, ordinance, or regulation, including but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (the “**ADEA**”), the Older Workers Benefit Protection Act, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, the Employee Retirement Income Security Act of 1974, the anti-retaliation provisions of the Fair Labor Standards Act, the Genetic Information Nondiscrimination Act, the National Labor Relations Act, the Fair Credit Reporting Act, Section 1981 of the Civil Rights Act of 1866, the Worker Adjustment Retraining and Notification (“**WARN**”) Act, the Pennsylvania Human Relations Act, the Pennsylvania Wage Payment and Collection Law, and any and all similar state and local statutes, all as amended (as applicable).

(b) ADEA Waiver and Effective Date. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the ADEA, and that the consideration given to you for the waiver and release in this Agreement is in addition to anything of value to which you were already entitled. You further acknowledge that you have been advised by this writing, as required by the ADEA and the Older Workers Benefit Protection Act, that: (a) your waiver and release does not apply to any rights or claims that may arise after the date you sign this Agreement; (b) you should consult with an attorney prior to signing this Agreement (although you may voluntarily decide not to do so); (c) you have twenty-one (21) days to consider this Agreement (although you may choose voluntarily to sign this Agreement sooner); (d) you have seven (7) days following the date you sign this Agreement to revoke this Agreement; and (e) this Agreement will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after you sign this Agreement provided that you do not revoke it (the “**Effective Date**”). If this Agreement is revoked, you will not be entitled to the Separation Benefit under this Agreement. Nothing in this Agreement prevents or precludes you from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law.

(c) Excluded Claims. Notwithstanding the broad scope of the general release, the following are not included in the Released Claims (the “**Excluded Claims**”): (i) any rights that, as a matter of law, whether by statute or otherwise, may not be waived, such as claims for workers’ compensation benefits or unemployment insurance benefits; however, to the extent permitted by law, you waive any right or ability to be a class or collective action representative or to otherwise participate in any putative or certified class, collective or multi-party action or proceeding based on any Excluded Claims in which any of the Released Parties is a party; and (ii) any claims for breach of this Agreement. In addition, nothing in this Agreement prevents you from filing a charge or complaint, reporting to, cooperating with, communicating with, or participating in any proceeding before the Securities and Exchange Commission (the “**SEC**”), the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, the United States Department of Labor, the National Labor Relations Board, or other similar state or local agency (the “**Government Agencies**”), or from exercising any rights pursuant to Section 7 of the NLRA, or from taking any action protected under the whistleblower provisions of any federal securities law (“**Protected Activities**”), none of which activities shall constitute a breach of the release, non-disparagement or confidentiality clauses of this Agreement; however, if you file any charge or complaint with a Government Agency, if a Government Agency pursues any claim on your behalf, or if any third party pursues any claim on your behalf, you waive to the fullest extent permitted by law any right to monetary or other individualized relief (either individually, or as part of any collective or class action); provided, however, that this limitation on recovery shall not apply to administrative proceedings before the SEC. You understand that in connection with such Protected Activity, you are permitted to disclose documents or other information as required by law, and without giving

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notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidentiality Agreement to any parties other than the Government Agencies.

8. Acknowledgement. By your signature below, you represent that: (a) the consideration given to you in exchange for the waiver and release in this Agreement is in addition to anything of value to which you were already entitled; (b) you have been provided by the Company all wages, severance, vacation, benefits, commissions, bonuses, expense reimbursements, or other amounts owed to you by the Company, other than the Accrued Benefits and the Separation Benefit specifically promised in Section 2 of this Agreement; (c) you have not been denied any request for leave to which you believe you were legally entitled; (d) you are knowingly and voluntarily executing this Agreement waiving and releasing any claims you may have as of the date you execute it; (e) you have not assigned or transferred, or purported to assign or transfer, to any person, entity, or individual whatsoever, any of the Released Claims; (f) you have not filed or caused to be filed, and are not presently a party to, a Released Claim against any of the Released Parties; and (g) you have no known workplace injuries or occupational diseases for which you have not already filed a claim.

9. Post-Employment Obligations. You are and will continue to be bound by the restrictive covenants contained in the Employment Agreement. For the avoidance of doubt, those obligations set forth in Sections 9, 10, and 11 of the Employment Agreement are expressly incorporated in this Agreement as if fully restated herein. You acknowledge and agree that the Company operates in a highly competitive industry and that it does so throughout the United States and world. You further acknowledge and agree that as a result of your employment with the Company, you have had access to the confidential and proprietary information and trade secrets of the Company, including regarding the Company's research and development, business operations, business strategies, clients, prospective clients, and other non-public information, and related information, as well as access to the Company's valuable relationships with the Company's employees, clients and prospects, and independent contractors. You acknowledge and agree that the Company has a legitimate interest in protecting against the unauthorized use, disclosure or transfer of its confidential and proprietary information, as well as in maintaining the goodwill and relationships the Company has developed with its employees, clients and prospects, and independent contractors.

10. Intellectual Property. You agree that all inventions, improvements, technical information and/or data resulting from, related to, and/or created or developed in connection with your employment, or which were created, produced or prepared by you during your employment by the Company (the "**Work Product**") were for and shall be for the benefit of the Company and shall be the sole and exclusive property of the Company. All Work Product shall be deemed "work for hire." The Company shall have all rights in such Work Product, including copyrights. If for any reason such Work Product is not deemed "work for hire," you hereby assign all rights, title and interest to the Work Product to the Company. You acknowledge that all documents and materials provided by the Company are and shall remain the sole and exclusive property of the Company. You agree that all Work Product and other material delivered or conceived in connection with your employment by the Company or that otherwise uses Confidential Information shall be the exclusive property of the Company for which such services were performed. You agree to execute assignments and such other documents as are necessary to vest in the Company the entire right, title and interest in and to any such Work Product and to execute any and all applications for patents and registrations for copyright as the Company may request, and to assist the Company in obtaining full patent and copyright protection for such Work Product in those countries designated by the Company.

11. Confidential Information. You agree to hold in the strictest confidence, not to use (except for the benefit of the Company) and not to disclose to any person or entity (directly or indirectly) any Confidential Information, unless the Company grants you written authorization to do otherwise.

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**“Confidential Information”** means all business, technical and other proprietary information in the Company’s custody or under the Company’s control, as well as any Company information not generally known by actual or potential competitors of the Company or by the public generally and such information is Confidential Information no matter how you learned of it, whether disclosed to you, directly or indirectly, in writing, orally, by drawings or inspection of documents or other tangible property or in any other manner or form, tangible or intangible.

12. Contingent Separation Benefit. The Company’s continuing obligations under this Agreement are contingent upon your compliance with all terms and conditions provided for in this Agreement (including the post-employment obligations set forth in Sections 2, 9, 10, and 11 above). In the event that you breach any of your obligations under this Agreement (unless such breach constitutes a legal action by you challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA), you agree that the Company may, in addition to any of the Company’s other legal and equitable remedies, cease any Separation Benefits to which you may otherwise be entitled under this Agreement. Any such termination of the Severance Benefits by the Company in the event of a breach by you shall not affect your ongoing obligations to the Company including pursuant to this Agreement.

13. Specific Performance; Further Actions. You and the Company agree to execute any further instruments and to take any further action as may reasonably be necessary to carry out the intent of this Agreement. Your obligations under this Agreement are of a unique character that gives them particular value; your breach of any of such obligations may result in irreparable and continuing damage to the Company. The Company may be entitled to injunctive relief and/or a decree for specific performance, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief. You agree that if the Company is successful in whole in any legal or equitable action against you under this Agreement, you agree to pay all reasonable attorney’s fees incurred by the Company in enforcing the terms of this Agreement.

14. No Admission. This Agreement does not constitute an admission by the Company of any wrongful action or violation of any federal, state, or local statute, or common law rights, including those relating to the provisions of any law or statute concerning employment actions, or of any other possible or claimed violation of law or rights.

15. Non-Disparagement. Except as may be required by law, neither you nor the Company (and its officers, directors and other representatives) shall orally or in writing, disparage, defame, or damage the reputation of the other or its respective owners or employees, or cause a third party to question the integrity, competence, good character, or professionalism of the other party. No obligation under this Section 15 shall be violated by truthful statements (x) made to any governmental authority, (y) which are in connection with legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) or (z) made in performance reviews.

16. Miscellaneous. You acknowledge that this Agreement is a full and accurate embodiment of the understanding between you and the Company, and that it supersedes any prior agreements or understandings made by and between you and the Company, except any confidentiality, non-disclosure, non-competition, non-solicitation, trade secret, and/or assignment of inventions and other intellectual property provisions to which your employment was subject, which will remain in effect subsequent to the execution of this Agreement. The terms of this Agreement may not be modified, except pursuant to a signed written agreement between you and the Company, or by a court of competent jurisdiction. 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

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rendered enforceable. 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. Executed originals transmitted electronically as PDF files (or their equivalent) shall have the same force and effect as a signed original.

17. Governing Law; Venue. This Agreement shall be deemed to be made under, and shall be construed solely in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to any state or federal principles of conflicts of law. You and the Company agree that any action brought by either party to interpret or enforce any provision of this Agreement shall be brought in, and each party agrees to, and does hereby, submit to the jurisdiction and venue of, the appropriate state or federal court for the district encompassing the Company's principal place of business. THE PARTIES TO THIS AGREEMENT HEREBY WAIVE THEIR RIGHT TO A TRIAL BY JURY WITH RESPECT TO DISPUTES ARISING UNDER THIS AGREEMENT AND THE RELATED AGREEMENTS AND CONSENT TO A BENCH TRIAL WITH THE APPROPRIATE JUDGE ACTING AS THE FINDER OF FACT.

***[signature page follows]***

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If this Agreement is acceptable to you, please sign below and return it to me within twenty-one (21) days of the date you receive it. The Company's severance offer contained herein will automatically expire if you do not sign and return a fully signed copy of this Agreement within this timeframe, and you will not be eligible for the Separation Benefit if you revoke this Agreement as set forth above.

In the event this proposal is not acceptable to you, your employment with the Company will continue as is and remain unchanged and will not end as of the Separation Date.

We wish you the best of success and personal and professional fulfillment in the future.

Sincerely,

Aprea Therapeutics, Inc.

By: /s/ Oren Gilad

Name: Oren Gilad, Ph.D.

Title: Chief Executive Officer

**I HAVE READ THE FOREGOING AGREEMENT, AND I FULLY UNDERSTAND ITS TERMS. I AM SIGNING THIS AGREEMENT FREELY AND VOLUNTARILY, HAVING BEEN GIVEN A FULL AND FAIR OPPORTUNITY TO CONSIDER IT AND AFTER HAVING BEEN ADVISED TO CONSULT WITH COUNSEL OF MY CHOICE.**

**AGREED AND ACCEPTED:**

/s/ Greg Korbel

Greg Korbel

March 28, 2023

Date

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**Aprea Therapeutics, Inc.**

535 Boylston St.  
Boston, MA 02116

May 16, 2022

RE: Post-Transaction Employment

Dear Scott Coiante,

As a critical team member and as an inducement for your to remain employed with Aprea Therapeutics, Inc. (the "Company") following the consummation of the transactions pursuant to that certain Agreement and Plan of Merger, dated as of May 16, 2022, by and among the Company, ATR Merger Sub I Inc., a Delaware corporation and wholly owned Subsidiary of the Company, ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned Subsidiary of the Company, and Atrin Pharmaceuticals Inc., a Delaware corporation (the "Merger Agreement"). If your employment is terminated by the Company without "cause" or by your due to "good reason" (each as defined in your Employment Agreement with the Company, dated as of September 26, 2019 (the "Employment Agreement")) on or prior to the one-year anniversary of the date of the Merger Agreement, you will be eligible to receive severance and benefits continuation under the Employment Agreement based on 12-months of severance. Except as modified herein, your Employment Agreement remains in effect.

*[Signature Page Follows.]*

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Sincerely,

**APREA THERAPEUTICS, INC.**

By: /s/ Christian S. Schade

Name: Christian S. Schade

Title: Chief Executive Officer

Accepted and Agreed to By:

/s/ Scott Coiante  
Scott Coiante

May 16, 2022  
Date

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**CONFIDENTIAL SEVERANCE AGREEMENT AND GENERAL RELEASE**

This Confidential Severance Agreement and General Release (“**Agreement**”) is made by and between Scott M. Coiante (“**Employee**”) and Aprea Therapeutics, Inc., its subsidiaries, affiliates, successors, and assigns (“**Company**”) (collectively, the “**Parties**”).

WHEREAS, Employee was employed by Company pursuant to that certain Employment Agreement dated on September 26, 2019 (the “**Employment Agreement**”);

WHEREAS, the Parties wish for the Employee to step down from his position as an officer and executive of the Company effective January 30, 2023 (“**Step-Down Date**”) and continue employment through a transition period; and

WHEREAS, Employee’s employment shall terminate on March 31, 2023 or any date sooner where Employee ceases providing services to the Company (the “**Termination Date**”), and Employee and Company wish to set forth the terms of the Employee’s separation from the Company and to resolve any and all claims or disputes claims arising or in any way related to Employee’s employment with or separation from Company.

NOW THEREFORE, in consideration of the promises made herein, the Parties hereby agree as follows:

1. Termination and Transition Period.

(a) Employee’s employment with the Company will terminate effective as of the Termination Date. Employee will be paid, at Employee’s regular rate of pay, for all hours worked and for all accrued but unused vacation through the Termination Date, regardless of whether Employee signs this Agreement. Employee will be paid in accordance with normal payroll procedures, less all applicable deductions and withdrawals. Employee acknowledges that these amounts are all of the amounts owed to the Employee by Company through the Termination Date. As of the Termination Date, Employee hereby resigns from any and all positions and titles with Company or any of its affiliates, and Employee is not to hold himself out as an employee, agent, or authorized representative of Company, or to negotiate or enter into any agreements on behalf of Company, or to otherwise attempt to bind Company.

(b) From the date of this Agreement to and including the Termination Date (the “**Transition Period**”), Employee agrees to cooperate fully with the Company and in good faith to ensure a smooth and orderly transition of Employee’s duties and responsibilities. From and after the Step-Down Date, Employee shall no longer be, nor hold out to be, an officer, executive, member, manager, representative, or agent of the Company or any of its affiliates, and shall no longer hold any title with the Company or any of its affiliates.

(c) During the Transition Period, Employee shall remain on payroll at Employee’s current base salary rate (as of the date above), less all applicable deductions and withholdings, and be covered by the Company’s group medical and dental plans, subject to the provisions, requirements, conditions, and limitations of such plans, which may be amended from time to time. During the Transition Period, Employee shall continue to perform such job duties for the Company and to assist in such transition-related duties as the Company may deem necessary and appropriate. For the avoidance of doubt, this is to confirm that for as long as Employee remains on the Company’s payroll (*i.e.*, during the Transition Period), Employee shall continue to fully comply with, and be bound by, any and all policies and procedures in effect for the Company’s employees, including all requirements contained therein.

2. Payments and Consideration.

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(a) Employee will be paid, at Employee's regular rate of pay, for all hours worked through the Termination Date, regardless of whether Employee signs this Agreement. Employee will be paid in accordance with normal payroll procedures. Employee acknowledges that these amounts are all of the amounts owed to Employee by Company through the Termination Date. As of the Termination Date, Employee is not to hold Employee out as an employee, agent, or authorized representative of Company, or to negotiate or enter into any agreements on behalf of Company, or to otherwise attempt to bind Company, except as otherwise expressly agreed to by the Company in writing.

(b) In consideration for this Agreement, Company will pay Employee a gross amount equal to twelve (12) months of the Employee's Base Salary (as defined in the Employment Agreement) paid in substantially equal amounts (the "**Severance Pay**") over the twelve-month period following the Termination Date (the "**Severance Period**"), the first installment of which shall be paid beginning on the first payroll date after the Termination Date. The Severance Pay will be paid during the Severance Period to Employee, minus applicable withholdings and taxes, in accordance with regular payroll procedures.

(c) Employee's health benefits shall cease on the Termination Date. As additional consideration for Employee's compliance with the provisions of this Agreement, following the Termination Date, subject to the Employee's copayment of premium amounts at the applicable active employees' rate and the Employee's proper election to receive benefits under the Consolidated Omnibus Reconciliation Act of 1985 ("**COBRA**") and/or any applicable state law COBRA, the Company shall pay to the Employee a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to the Employee if the Employee had remained employed by the Company until the earliest of (A) the twelve (12) month anniversary of the Termination Date; (B) the date that the Employee becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Employee's health continuation rights under COBRA; provided, however, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Employee for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates. Should Employee wish to continue health benefits coverage through Company's group insurance plans after the date on which the Company's payments cease (as described above), Employee will be responsible for paying the premium in full each month. Employee will receive a separate notice explaining Employee's right to continuation and conversion of Employee's health benefits under COBRA.

(d) Employee will be reimbursed for all ordinary and necessary, reasonable business-related expenses incurred by Employee in connection with Employee's employment with Company through the Termination Date. Employee must submit all requests for reimbursement for such expenses no later than 30 days after the Termination Date, accompanied by proper documentation, to Aprea Therapeutics, Inc., CEO.

(e) By Employee's signature below, Employee acknowledges and agrees that the terms set forth in this Agreement include compensation and benefits to which Employee is not otherwise entitled. Furthermore, Employee acknowledges that, except as expressly set forth above, after Employee's execution of this Agreement, Employee will not be entitled to any other or further compensation, remuneration, or benefits from Company.

3. Tax Treatment. Employee understands and agrees that Company is neither providing tax nor legal advice, nor is Company making representations regarding tax obligations or consequences, if any, related to this Agreement. Employee further agrees that Employee will assume any such tax obligations or consequences that may arise from this Agreement, and that Employee shall not seek any indemnification from Company in this regard. Employee agrees that, in the event that any taxing body determines that additional taxes are due

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from Employee, Employee acknowledges and assumes all responsibility for the payment of any such taxes and agrees to indemnify, defend, and hold Company harmless from the payment of such taxes, and any failure to withhold. Employee further agrees to pay, on Company's behalf, any interest or penalties imposed as a consequence of such tax obligations, and to pay any judgments, penalties, taxes, costs, and attorneys' fees incurred by Company as a consequence of Employee's failure to pay any taxes due.

4. Return of Company Property. Employee agrees to return to Company any and all Company property in Employee's possession, including without limitation any computer or other electronic devices; software programs; other Company equipment, tools, records, or technical materials; information related to Company customers, clients and business contacts; marketing information; pricing information; cellular phones; personnel materials or files, handbooks, manuals, or policies; memoranda, notes, and drafts thereof; and any other documents or property (and any summaries or copies thereof), developed by Employee and/or obtained by Employee or on Employee's behalf, directly or indirectly, pursuant to Employee's employment with Company.

5. Release of Claims.

(a) Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by Company. **THIS IS A GENERAL RELEASE OF ALL CLAIMS.** As consideration for the Severance Pay and benefits being provided to Employee, Employee, on Employee's own behalf, and on behalf of Employee's respective heirs, family members, executors, administrators, attorneys, representatives, and assigns, hereby fully and forever releases Company and its legal representatives, officers, directors, fiduciaries, employees, investors, shareholders, insurers, agents, administrators, affiliates, divisions, subsidiaries, predecessor and successor corporations, and assigns, both in their individual and corporate capacities (collectively, the "**Releasees**"), of and from any and all claims and causes of action, demands, duties, obligations, agreements, promises, liabilities, damages, costs, and/or fees, whether known or unknown, suspected or unsuspected, arising out of or relating to Employee's employment, including the termination of such employment, including without limitation:

- (1) any and all claims relating to or arising from Employee's employment relationship with Company and the termination of that relationship;
  - (2) any and all claims relating to, or arising from, an incentive compensation arrangements or plans or Employee's right to purchase, or the actual purchase of, shares of stock of Company; fraud; misrepresentation; breach of fiduciary duty; breach of duty under applicable state corporate law; and securities fraud under any state or federal law, other than Employee's right to purchase vested option shares, if any, pursuant to the terms of a related restricted stock purchase agreement;
  - (3) any and all claims under the law of any jurisdiction including without limitation wrongful discharge of employment; constructive discharge from employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent and intentional infliction of emotional distress; negligent and intentional misrepresentation; negligent and intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;
  - (4) any and all claims for violation of any federal, state or municipal statute, including without limitation all employment laws, including without limitation the; the Age
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Discrimination in Employment Act, as amended; Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1866; the Civil Rights Act of 1871; the Fair Labor Standards Act; the Americans with Disabilities Act; the Older Workers' Benefits Protection Act; the Family Medical Leave Act; the Equal Pay Act; the Employee Retirement Income Security Act of 1974; the National Labor Relations Act; the Massachusetts Fair Employment Practices Law (MFEPL), the Massachusetts Civil Rights Act (MCRA), the Massachusetts Equal Rights Act (MERA), the Minimum Fair Wage Act, the Massachusetts Plant Closing Law, the Massachusetts Wage Act, the Massachusetts Equal Pay Act, the Massachusetts Parental Leave Act (MPLA), the Massachusetts Sexual Harassment Statute, and all other laws against discrimination or applicable to employment that may be the subject of a release under applicable law;

- (5) any and all claims for violation of the federal, or any state, constitution;
- (6) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;
- (7) any and all claims arising out of any personnel policies, contracts of employment, any other contracts, severance pay agreements, and covenants of good faith and fair dealing;
- (8) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement;
- (9) any claim or damage arising out of Employee's employment with or separation from Company under any common law theory or any federal, state, or local statute or ordinance not specifically referred to above;
- (10) any and all claims for unpaid or withheld wages, including deferred amounts as described in Section 2(b) of the Offer Letter, severance, benefits, bonuses, including, without limitation, discretionary performance or retention bonuses, commissions, and other compensation of any kind that Employee may have against the Releasees; and
- (11) any and all claims for attorneys' fees and costs.

(b) Employee understands and agrees that, to the fullest extent permitted by law, Employee is precluded from filing or pursuing any legal claim of any kind against any of the Releasees at any time in the future, in any federal, state, or municipal court, administrative agency, or other tribunal, arising out of any of the claims that Employee has waived by virtue of executing this Agreement. Employee agrees not to file or pursue any such legal claims and, if Employee does pursue such legal claims, Employee waives any right to receive monetary recovery. By Employee's signature below, Employee represents that Employee has not filed any such legal claims against any of the Releasees in any federal, state, or municipal court, administrative agency, or other tribunal.

(c) Nothing in this Agreement shall be construed to waive any claims that cannot be waived as a matter of law. In addition, this Agreement does not prevent Employee from filing an administrative charge against any Releasee that may not be released as a matter of law; however, Employee agrees that Employee shall not be entitled to recover any monetary payments or other individual benefits in any such proceeding. This release does not waive any rights or claims that may arise after the date that Employee executed this Agreement.

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(d) Nothing in this Agreement will affect the ability of Employee or Company to enforce rights or entitlements specifically provided for under this Agreement as set forth above, or any rights or claims that may arise after the date that Employee executed this Agreement. By Employee's signature below, Employee represents that: (a) Employee is not aware of any unpaid wages, vacation, bonuses, expense reimbursements, or other amounts owed to Employee by Company, other than the Severance Pay specifically promised in this Agreement; (b) Employee has not been denied any request for leave to which Employee was legally entitled, and Employee was not otherwise deprived of any rights under the Family and Medical Leave Act or any similar state or local statute; and (c) Employee has not assigned or transferred, or purported to assign or transfer, to any person, entity, or individual whatsoever, any of the claims released in the foregoing general release and waiver. Company's obligations under this Agreement are contingent upon Employee's compliance with all terms and conditions provided for herein.

6. ADEA Release. In accordance with the Older Workers Benefit Protection Act of 1990, Employee hereby fully, finally, and completely release the Releasees of and from any and all claims, charges, or causes of action arising on or before the Termination Date under the Age Discrimination in Employment Act and the Older Workers Benefit Protection Act (together, the "**ADEA**"), which prohibit age discrimination in employment (the "**ADEA Release**"), and hereby acknowledges and agrees that:

- a) the agreement, which includes the ADEA Release, was negotiated at arms-length;
- b) the Agreement, which includes the ADEA Release, is worded in a manner that Employee fully understands;
- c) Employee specifically waives any rights or claims under the ADEA;
- d) Employee knowingly and voluntarily agrees to all of the terms set forth in the agreement, which includes the ADEA Release;
- e) Employee acknowledges and understands that any claims under the ADEA that may arise after the Separation Date are not waived;
- f) the rights and claims waived in this agreement, which includes the ADEA Release, are in exchange for consideration over and above anything to which Employee is already undisputedly entitled;
- g) Employee has the right to consult with an attorney before signing this agreement;
- h) Employee has twenty-one (21) days to consider this agreement; and
- i) Employee has seven (7) days after signing this agreement to revoke this agreement, and this agreement will not be effective, and Employee will not receive any of the settlement benefits described herein, until that revocation period has expired.

If Employee wishes to revoke Employee's acceptance of this agreement, Employee must deliver written notice stating Employee's intent to revoke by email to Oren Gilad, CEO, on or before 5:00 p.m. Eastern on the seventh (7th) day after the date on which Employee signs this Agreement.

7. Non-Disparagement. Employee understands and agrees that Employee's entitlement to the compensation and benefits due under this Agreement is conditioned upon Employee's continued support of Company. Employee agrees to refrain from taking any action, and from making any statement (oral or written), that disparages or criticizes Company, its affiliates, parent companies, subsidiaries, and related entities, or its

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officers, directors, or employees, or that harms Company's or any of Company's affiliates', parent companies', subsidiaries', and related entities', or Company's officers', directors', or employees' respective reputations, or that disrupts or impairs Company's normal, ongoing business operations. This provision applies to all of Employee's interactions with third parties, including without limitation any conversations or correspondence that Employee might have with organizations, governmental entities, and persons with whom Company engages in business, as well as with employees of Company. Employee understands that this provision does not apply on occasions when Employee is subpoenaed or ordered by a court or other governmental authority to testify or give evidence and must respond truthfully. Employee further agrees not to otherwise interfere with Company's business operations, including, without limitation, Company's efforts to market and sell its products and services.

8. Confidentiality.

(a) The Parties acknowledge that Employee's agreement to keep the terms and conditions of this Agreement confidential is a material factor on which Employee and Company relied in entering into this Agreement. Employee warrants that Employee has not disclosed the fact of this Agreement or any of the terms of this Agreement, or the negotiations leading thereto, to anyone other than Employee's attorneys, accountants, or tax consultants, or Employee's spouse. Employee represents and agrees that (i) Employee will keep the fact and amount of this settlement and the terms of this Agreement completely confidential, except and unless disclosure is required and compelled by lawful court order; (ii) if disclosure is compelled by court order, Employee will disclose only so much information as is necessary for compliance; and (iii) confidentiality is the essence of this Agreement. Accordingly, Employee shall not publicize or disclose the fact of this Agreement, the Severance Pay amount, or the terms of this Agreement in any manner whatsoever, whether in writing or orally, to any person, directly or indirectly, or by or through any agent or representative, except as necessary to effectuate the terms of this Agreement, and other than to the following: (1) Employee's attorneys; (2) Employee's accountants and tax consultants; (3) other representatives or entities as required and compelled by law or lawful court order; and (4) Employee's spouse. With respect to any individuals referred to above and to whom Employee knowingly discloses any information regarding this Agreement or its terms, Employee agrees to inform such individuals that the information is strictly confidential and may not be reviewed, discussed, or disclosed, orally or in writing, with any other person, organization, or entity whatsoever, at any time. Employee further represents that no disclosure inconsistent with this Paragraph and its subparts has been made by Employee prior to the date of Employee's execution of this Agreement.

(b) This confidentiality provision specifically includes without limitation an obligation, on the part of Employee and Employee's respective attorneys and other representatives, not to knowingly disclose, or cause to be disclosed, the terms of this Agreement to any of Company's current or former employees or to any of Company's affiliates, or to any individual associated with the press or the media. Employee agrees that Employee shall be separately responsible and liable for Employee's own disclosure prohibited by this Paragraph and its subparts, including disclosures made by Employee's respective representatives.

(c) It shall not be a breach of this Paragraph or its subparts for Employee or Company to respond, if asked, that any dispute regarding Employee's employment or termination of employment with Company has been resolved.

9. No Cooperation. Employee agrees not to act in any manner that might damage the business of Company.

Employee agrees not to counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against Company or any officer, director, employee, agent, representative, shareholder, or attorney of Company, unless under a subpoena or other court order to do so.

Employee further agrees both to immediately notify Company upon receipt of any court order, subpoena, or any legal discovery device that seeks or might require the

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disclosure or production of the existence or terms of this Agreement, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or legal discovery device to Company.

10. Obligations Under Section 5 of the Employment Agreement. Employee agrees and acknowledges that Employee remains bound by each of the terms of Section 5 of the Employment Agreement, which provisions are incorporated by reference for all purposes, and which survive the termination of Employee's employment. By signing this Agreement, Employee represents and warrants that Employee has not disclosed any Confidential Information to a third party in contravention of the terms of the Employment Agreement. Employee further acknowledges and agrees that: (i) Employee was provided with a copy of the Employment Agreement at least ten (10) business days before commencement of thereof, (ii) Employee was advised, and is hereby reminded by this Agreement, of Employee's right to consult with an attorney, (iii) the restrictions set forth in Section 5 of the Employment Agreement are no broader than necessary to protect the Company's confidential information, trade secrets and goodwill, which cannot be adequately protected through an alternative restrictive covenant, (iv) Employee's obligations under Section 5 of the Employment Agreement are supported by good and valuable consideration and/or such other mutually-agreed upon consideration as required by applicable law, and (v) the geographic restrictions set forth in Section 5 of the Employment Agreement are reasonable and aligned with the geographic area in which Employee provided services to the Company or in which Employee had a material presence or influence within the Company.

11. Non-Admissibility; No Admission of Liability. Employee agrees that this Agreement shall not be admissible as evidence in any future proceeding of any kind, except in court on a claim of breach of this Agreement. The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties hereto, or either of them, either previously or in connection with this Agreement shall be deemed or construed to be:

- (a) an admission of the truth or falsity of any claims heretofore made; or
- (b) an acknowledgment or admission by either Party of any fault or liability whatsoever to the other Party or to any third party.

12. No Knowledge of Wrongdoing. Employee represents that Employee has no knowledge of any wrongdoing involving improper or false claims against a federal or state governmental agency, or any other wrongdoing that involves Employee or other present or former Company employees.

13. Contingent Obligation. Company's continuing obligations under this Agreement are contingent upon Employee's compliance with all terms and conditions provided for herein. In the event that Employee breaches any of the obligations under this Agreement, Employee agrees that Company may cease making any payments due under this Agreement, and recover all payments already made under this Agreement, in addition to all other available legal remedies.

14. Fees and Costs. The Parties shall each bear their own costs, expert fees, attorneys' fees, and other fees incurred in connection with the execution of this Agreement.

15. Choice of Law; Venue. This Agreement will be interpreted and enforced in accordance with the law of the State of Delaware; if Delaware's conflict of law rules would apply another state's laws, the parties agree that Delaware law shall still govern. Employee further agrees that all disputes arising under this Agreement shall be subject to the exclusive jurisdiction of the federal and local courts of the State of Delaware, New Castle County; Employee consents to the exclusive jurisdiction of and venue in those courts.

16. No Representations. The Parties represent that they each have had the opportunity to consult with an attorney, at their own expense, and have carefully read and understand the scope and effect of the provisions

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of this Agreement. Neither Party has relied upon any representations or statements made by the other Party hereto which are not specifically set forth in this Agreement.

17. Severability. In the event that any provision in this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision so long as the remaining provisions remain intelligible and continue to reflect the original intent of the Parties.

18. Entire Agreement. Employee acknowledges that this Agreement constitutes a full and accurate embodiment of the understanding between Employee and Company, and that it supersedes any prior agreements or understandings made by the Parties, except any confidentiality, non-disclosure, non-solicitation, trade secret, assignment of inventions, and other intellectual property provisions to which Employee's employment was subject, which will remain in effect subsequent to the execution of this Agreement. The terms of this Agreement may not be modified, except by mutual consent of the Parties. Any and all modifications must be reduced to writing and signed by the Parties to be effective.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Good Faith Compliance. The Parties agree to cooperate in good faith and to do all things necessary to effectuate this Agreement.

21. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims.

*[Signature page to follow.]*

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IN WITNESS WHEREOF, the Parties have executed this Confidential Severance Agreement and General Release on the respective dates set forth below.

Dated: January 30, 2023

/s/ Oren Gilad  
APREA THERAPEUTICS, INC.  
Oren Gilad  
Its: Chief Executive Officer

Dated: January 30, 2023

By /s/ Scott M. Coiante  
Scott M. Coiante

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**EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** (the "Agreement") between APREA THERAPEUTICS, INC., a Delaware corporation (the "Company"), and Oren Gilad (the "Executive"), is made and entered into as of May 16, 2022 (the "Effective Date").

**WHEREAS**, the Company entered into that certain Agreement and Plan of Merger by and among the Company, ATR Merger Sub I Inc., a Delaware corporation and wholly owned Subsidiary of Company ("First Merger Sub"), ATR Merger Sub II LLC, a Delaware limited liability company and wholly owned Subsidiary of Company ("Second Merger Sub" and together with First Merger Sub, "Merger Subs"), and Atrin Pharmaceuticals Inc., a Delaware corporation ("Atrin") (the "Merger Agreement"), pursuant to which the First Merger Sub merged with and into Atrin with Atrin as the surviving corporation and became a wholly owned subsidiary of the Company (the "First Merger"), and immediately following the First Merger, Atrin merged with and into Second Merger Sub with the Second Merger Sub as the surviving entity (the "Second Merger" together with the First Merger, the "Merger");

**WHEREAS**, immediately prior to the occurrence of the Merger, Executive was the Chief Executive Officer of Atrin;

**WHEREAS**, pursuant to the Merger Agreement, Executive shall be appointed the President of the Company upon the Closing (as defined in the Merger Agreement) of the Merger;

**WHEREAS**, pursuant to the Merger Agreement, at or immediately after the conclusion of the Parent Stockholders' Meeting (as defined in the Merger Agreement), the resignation of the current Chief Executive Officer of the Company as the Chief Executive Officer of the Company shall become effective and the Executive shall thereafter become the Chief Executive Officer of the Company;

**WHEREAS**, the Company desires to employ Executive on the terms and conditions contained herein;

**WHEREAS**, Executive desires to be employed by and render services to the Company upon and subject to the terms, conditions and other provisions set forth herein.

**NOW THEREFORE**, in consideration of the promises and mutual covenants and agreements contained herein, the adequacy of all of which consideration is hereby acknowledged, the parties hereby agree as follows:

1. **Agreement and Term.** The Company hereby agrees to employ Executive, and Executive hereby accepts such employment and agrees to render such services to the Company, on the terms and conditions set forth in this Agreement. Unless terminated earlier as set forth in Section 4 herein, Executive's employment and the term under this Agreement shall commence under the terms set forth herein on the Effective Date and shall continue until the third-anniversary of the Effective Date (the "Initial Term") and, thereafter, shall be extended automatically for successive one-year terms, unless either Executive or the Company gives contrary written notice not less than 60 days in advance of the expiration of the Initial Term or any succeeding term of this Agreement. The Initial Term, together with any extension thereof in accordance with this Section 1, shall be referred to herein as the "Term."

2. **Positions and Authority.** Executive shall serve in the position of President of the Company and shall become the Chief Executive Officer of the Company after the conclusion of the Parent Stockholders' Meeting (as defined in the Merger Agreement). Executive agrees to serve in the officer position referred to in this Section 2, and to perform diligently and to the best of his abilities the duties and services appertaining to such offices as set forth in the Bylaws of the Company, as well as such additional duties and services appropriate to such offices that the parties may agree upon from time to time. Executive will report to the Board of Directors of the Company (the "Board"). Upon the Effective Date, Executive's principal place of work shall be located in Doylestown, Pennsylvania.

During the Term, Executive shall devote Executive's full business time and efforts to the business and affairs of the Company and its subsidiaries, provided that the Executive shall be entitled to serve as a member of the board of directors of a reasonable number of other companies, to serve on civic, charitable, educational, religious, public interest or public service boards, and to manage the Executive's personal and family investments, in each case, to the extent such activities do not materially interfere with the performance of the Executive's duties and responsibilities

hereunder. Executive shall not become a director of any for profit entity without first receiving the approval of the Nominating and Corporate Governance Committee of the Board.

3. Compensation and Benefits

(a) Base Salary. As compensation for Executive's performance of Executive's duties hereunder, Company shall pay to Executive an initial Base Salary of Five Hundred Thousand Dollars (\$500,000) per year, payable in accordance with the normal payroll practices of the Company. The Base Salary shall be reviewed for increases but not decreases by the Compensation Committee of the Board (the "Compensation Committee") in good faith, based upon the Company's and Executive's performance and the Company's pay philosophy, not less often than annually. The term "Base Salary," shall refer to the Base Salary as may be in effect from time to time.

(b) Annual Incentive Compensation. During the Term, Executive shall be eligible to participate in the annual cash bonus program maintained for senior executive officers of the Company (the "Annual Incentive Program"), with an initial target annual bonus opportunity equal to fifty percent (50%) of Base Salary. The actual amount of the annual bonus earned by and payable to Executive for any year or portion of a year, as applicable, shall be determined upon the satisfaction of goals and objectives established by the Compensation Committee, and shall be subject to such other terms and conditions of the Annual Incentive Program as in effect from time to time. Each bonus paid under the Annual Incentive Program shall be paid to Executive no later than March 15th of the calendar year following the calendar year in which the bonus is earned.

(c) Long-Term Incentive Grants. During the Term, Executive shall be eligible to participate in the long-term incentive program maintained for senior executive officers of the Company (the "LTI Program"), with a LTI Program target opportunity and LTI Program Vehicles determined by the Compensation Committee for each year of participation.

(d) Employee Benefits and Perquisites. During the Term, the Executive shall be entitled to receive all benefits and perquisites of employment generally available to other members of the Company's senior executive management, upon Executive's satisfaction of the eligibility or participation criteria therefor. The Company reserves the right to modify or terminate employee benefits and perquisites at its discretion.

(e) Business Expenses. Subject to Section 18, Executive shall be reimbursed for reasonable travel and other expenses incurred in the performance of Executive's duties on behalf of the Company in a manner consistent with the Company's policies regarding such reimbursements, as may be in effect from time to time.

4. Termination of Employment.

(a) The Term shall end upon the first to occur of: (i) the expiration of the term of this Agreement pursuant to Section 1 hereof; (ii) Termination due to Disability (as defined below); (iii) termination of Executive's employment by the Company for any reason other than Termination due to Disability; (iv) Executive's death; or (v) termination of Executive's employment by Executive for any reason. Upon the termination of Executive's employment with the Company for any reason, Executive shall be deemed to have resigned from all positions with the Company or any of its Affiliates held by Executive as of the date immediately preceding Executive's termination of employment.

(b) If Executive's employment ends for any reason, except as otherwise contemplated in this Section 4, Executive shall cease to have any rights to salary, bonus (if any) or other benefits, other than (i) the earned but unpaid portion of Executive's Base Salary through the date of termination or resignation, (ii) a lump-sum payment in respect of accrued but unused vacation days at the Executive's per-business-day Base Salary rate, (iii) any unpaid expense or other reimbursements due to Executive, and (iv) any other amounts or benefits required to be paid or provided by law or under any plan, program, policy or practice of the Company.

(c) Termination without Cause or for Good Reason. If Executive's employment hereunder shall be terminated by the Company without Cause, termination upon the expiration of the Term following notice of non-renewal by the Company, or by Executive for Good Reason, then in addition to the payments and benefits described

in Section 4(b) and subject to Section 18 and Executive's continuing compliance with Section 6 of this Agreement, including the execution of the Release contemplated by Section 6(i):

(i) the Company shall pay Executive an amount equal to twelve (12) months of the Executive's Base Salary (the "Severance Payment"), payable during the twelve (12)-month period following such termination of employment, with the Severance Payment commencing as soon as administratively feasible within 60 days following Executive's termination of employment and the first installment payment including the portion of the Severance Payment that was payable prior to such first payment date; provided, however, if the Executive's employment is terminated under circumstances entitling the Executive to severance under this Section 4(c) within 12 months following a Change in Control (a "CIC Qualifying Termination"), then the Severance Payment and period to pay the Severance Payment shall be increased to eighteen (18) months;

(ii) the Company shall pay Executive an annual bonus for the year of termination equal to the Executive's target annual bonus opportunity, payable within 60 days following the Executive's termination of employment, subject to proration based on the number of days in the calendar year that have elapsed prior to the date of termination;

(iii) following the Executive's termination of employment, the Company shall pay to the Executive (or to the Executive's family in the event of Executive's death) on a monthly basis an amount equal to the monthly amount of the Consolidated Omnibus Budget Reconciliation Act of 1985 continuation coverage premium for such month, at the same level and cost to the Executive (or the Executive's family in the event of Executive's death) as immediately preceding the Executive's termination of employment, under the Company group medical plan in which the Executive participated immediately preceding the Executive's termination of employment, less the amount of the Executive's portion of such monthly premium as in effect immediately preceding the Executive's termination of employment, until the earlier of (A) twelve (12) months after the Executive's termination of employment and (B) the Executive and Executive's family have obtained other substantially similar healthcare coverage; provided, however, if the Executive experiences a CIC Qualifying Termination, then the number of months set forth in clause (A) of this sentence shall be increased to eighteen (18) months;

For the avoidance of doubt, Executive shall not be entitled to the benefits described in this Section 4(c) for a Termination due to Disability, termination of Executive's employment for Cause, Executive's death, or termination of Executive's employment by Executive for any reason other than for Good Reason.

(d) Section 280G. Notwithstanding anything to the contrary in this Agreement, Executive expressly agrees that if the payments and benefits provided for in this Agreement or any other payments and benefits which Executive has the right to receive from the Company and its Affiliates (collectively, the "Payments"), would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code")), then the Payments shall be either (i) reduced (but not below zero) so that the present value of the Payments will be one dollar (\$1.00) less than three times Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of the Payments received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Executive. The reduction of Payments, if any, shall be made by reducing first any Payments that are exempt from Section 409A of the Code and then reducing any Payments subject to Section 409A of the Code in the reverse order in which such Payments would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time). The determination as to whether any such reduction in the Payments is necessary shall be made by the Compensation Committee in good faith. If a reduced Payment is made or provided and, through error or otherwise, that Payment, when aggregated with other payments and benefits from Company (or its Affiliates) used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company.

(e) Certain Definitions.



“Affiliate” shall mean all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, or an equity interest of 50% or more (direct or indirect).

“Cause” shall mean, in the sole discretion of the Board:

- (i) conduct by Executive in connection with Executive’s service to the Company or any Affiliate that is fraudulent, unlawful or grossly negligent;
- (ii) Executive’s material breach of Executive’s material responsibilities to the Company or any Affiliate or Executive’s willful failure to comply with reasonable and lawful directives of the Board;
- (iii) Executive’s material breach of Executive’s material representations, warranties, covenants and/or obligations under this Agreement;
- (iv) material misconduct by Executive that seriously discredits or damages the Company or any Affiliate;
- (v) nonperformance or unsatisfactory performance of Executive’s material duties or responsibilities to the Company or any Affiliate;
- (vi) violation of the Company’s or any of its Affiliates’ policies including, without limitation, the Company’s Code of Conduct and policies on equal employment opportunity and prohibition of unlawful harassment; and/or
- (vii) the conviction of, or plea of nolo contendere to, any felony or a misdemeanor involving dishonesty or fraud

In the case of each of (ii), (iii), (iv), (v) and (vi) as determined in good faith by the Board after written notice to Executive providing reasonable details of the alleged breach and not less than a 30 day period to cure the alleged breach; provided that the Company may suspend Executive’s employment, access, authority and duties during such cure period.

“Change in Control” shall have the meaning assigned to such term in the Company’s 2019 Equity Incentive Plan.

“Good Reason” shall mean that Executive has complied with the “Good Reason Process” (hereinafter defined) following the occurrence of any of the following actions undertaken by the Company without Executive’s express prior written consent:

- (i) the changing of Executive’s position from President prior to the Parent Stockholders’ Meeting (as defined in the Merger Agreement) other than to the position of Chief Executive Officer; the failure of Executive to be appointed as Chief Executive Officer after the Parent Stockholders’ Meeting (as defined in the Merger Agreement) or the changing of the Executive’s position from Chief Executive after such appointment;
- (ii) a material diminution in Executive’s responsibilities, authority or function as President or President and Chief Executive Officer of the Company after the Parent Stockholders’ Meeting (as defined in the Merger Agreement);
- (iii) a material reduction in Executive’s Base Salary and/or annual target bonus opportunity; provided, however, that Good Reason shall not be deemed to have occurred in the event of a reduction in Executive’s Base Salary and/or annual target bonus opportunity that is pursuant to a reduction program affecting substantially all of the senior level employees of the Company and that does not adversely affect Executive to a greater extent than other similarly situated senior level employees; or

(iv) a change of more than 50 miles in the geographic location at which Executive must regularly report to work and perform services, except for required travel on business of the Company; provided, however, that “Good Reason” shall not include, following a Change of Control, a reduction in title, position, responsibilities or duties solely by virtue of the Company being acquired and made part of, or operating as a subsidiary or division of a larger company or organization, as long as Executive’s new duties and responsibilities are reasonably commensurate with Executive’s experience.

“Good Reason Process” shall mean that: (i) Executive has reasonably determined in good faith that a “Good Reason” has occurred; (ii) Executive has notified the Board in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) Executive has cooperated in good faith with the efforts of the Company, for a period not less than 30 days following such notice (the “Cure Period”), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) Executive terminates employment within 60 days after the end of the Cure Period. If the Good Reason condition is cured by the Company during the Cure Period, Good Reason shall be deemed not to have occurred.

“Termination due to Disability” shall mean Executive’s termination of employment as a result of Executive becoming incapacitated for a period of at least 180 days by accident, sickness or other circumstance that renders Executive mentally or physically incapable of performing the material duties as President or President and Chief Executive Officer of the Company after the Parent Stockholders’ Meeting (as defined in the Merger Agreement)..

#### 5. Confidential Information.

(a) General. During the course of Executive’s performance hereunder, Executive may receive or otherwise be exposed to confidential and proprietary information relating to the Company Group’s technology, know-how, show-how, data, inventions, developments, plans, business practices, and strategies. Such confidential and proprietary information of the applicable member of the Company Group (collectively referred to as “Information”) may include but shall not be limited to: (a) confidential and proprietary information supplied to the Executive with the legend “Confidential” or equivalent; (b) information about proprietary compounds, process development, process scale-up and optimization, process validation, QA/QC for the production process, analytical methods and specifications; (c) marketing and customer support strategies, financial information (including sales, costs, profits and pricing methods), internal organization, employee information, and customer lists; (d) information relating to development candidates or programs including but not limited to, investigator brochures and clinical protocols, chemical structures, physical and chemical characterization, analytical methods, drug formulation, drug manufacturing, clinical studies, regulatory reviews, isolation methods, analytical and synthetic protocols, toxicology findings, intended clinical uses, strategy development, clinical pharmacology and data; (e) technology, including, but not limited to, discoveries, inventions, research and development efforts, data, software, trade secrets, processes, samples, media and/or cell lines (and procedures and formulations for producing any such samples, media and/or cell lines), vectors, viruses, assays, plasmids, formulas, methods, product and knowhow and show how; (f) all derivatives, progenies, improvements, additions, modifications, and enhancements to any of the above created or developed by the Executive; (g) information of third parties as to which the Company Group has an obligation of confidentiality and (h) with any notes, reports, summaries, analyses, compilations, forecasts, studies, interpretations, memoranda or other materials prepared by or for the Executive that contain, reference, reflect or are based upon, in whole or in part, any information so furnished to or observed by the Executive in connection herewith. The Executive acknowledges and agrees that the Information shall be treated as confidential and as the sole, exclusive and extremely valuable property of the Company. Accordingly, unless the Executive obtains the prior written consent of the Company, the Company shall not use the Information other than in the course of Executive’s employment with the Company, and shall not, either during or at any time after the term of this Agreement, (i) reproduce any of the Information, (ii) disclose all or any part of the Information in any form to any third party or (iii) use any Information in any way that is, or is reasonably likely to be, detrimental to the Company or any of its affiliates or for any purpose other than in connection with the Executive’s employment with the Company.

(f) Exceptions. Notwithstanding the above, Information shall not include information that Executive can demonstrate by contemporaneous written evidence: (a) is already known or available to the public; (b) has become known or available to the public through no fault of the Executive; (c) is disclosed to Executive by a third party without any obligation of confidentiality; or (d) is independently developed by the Executive without reference to or reliance upon any Information (excluding any information developed by the Executive through his prior services to **Atrin**).

Furthermore, to the extent that Executive is required by law, rule or regulation to disclose particular Information, Executive shall, to the extent legally permissible and in advance of such disclosure, provide the Company with prompt written notice of such requirement. In addition, the Executive agrees, to the extent legally permissible, to provide the Company, in advance of any such disclosure, with a list and description of such information, that the Executive intends to disclose (and, if applicable, the text of the disclosure language itself) and to cooperate with the Company, to the extent it may seek to limit such disclosure, including, if requested, taking all reasonable steps to resist or avoid any such legal, judicial, regulatory or administrative process and takes commercially reasonable measures to preserve the confidentiality of any information disclosed.

(g) Obligations that Survive Termination. The Executive's obligations under this Section 5 shall be in effect during the term of this Agreement and shall continue indefinitely.

6. Restrictive Covenants.

(a) Restricted Activities. By signing this Agreement, Executive represents that Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on Executive pursuant to this Section 6 (collectively, the "Restrictive Covenant Agreements"). For purposes of the Restrictive Covenant Agreements, "Company" shall mean the Company and its Affiliates. Executive agrees that during Executive's employment and for the twelve month period after Executive's employment with the Company ends for any reason (the "Restricted Period") Executive will not (without the Company's prior written consent), whether as owner, partner, shareholder, director, consultant, agent, employee, co-venturer or otherwise, (i) engage, participate or invest in any business activity anywhere in the world that develops, markets or sells any products, or performs or sells any services that directly or indirectly involves synthetic lethality in oncologic applications; provided that this shall not prohibit any investment by Executive in publicly traded stock of a company representing less than two percent of the stock of such company, (ii) solicit or attempt to solicit, or take away or divert from the Company, or attempt to take away or divert from the Company, the business or patronage of any customer(s) known to Executive with respect to which Executive was involved in soliciting, in each case at any time during the twelve-month period that immediately preceded the termination of Executive's employment with the Company and with which, as a result of Executive's employment with the Company, Executive had business dealings or about which Executive acquired confidential information, or (iii) recruit or attempt to recruit, solicit or attempt to solicit, hire or attempt to hire, interfere with or endeavor to entice away or assist in recruiting or attempting to recruit, soliciting or attempting to solicit, hiring or attempting to hire, interfering with or enticing away any person who is or was employed by the Company or is or was an agent, representative or consultant of the Company within the six-month period preceding the termination of Executive's employment with the Company. Executive agrees without reservation that these restraints are necessary for the reasonable and proper protection of the Company, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. Executive further understands that Executive's obligations under the Restrictive Covenant Agreements will continue in accordance with their express terms regardless of any changes in Executive's title, position, duties, salary, compensation or benefits or other terms and conditions of employment. Executive expressly consents to be bound by the provisions of the Restrictive Covenant Agreements for the benefit of the Company or any Affiliate or successor to whose employ Executive may be transferred.

(b) Return of Property. All files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing Company information, whether created by Executive or others, which come into Executive's custody or possession, are the exclusive property of the Company to be used by Executive only in the performance of Executive's duties for the Company. Any property situated on the Company's premises and owned by the Company, including without limitation computers, disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company at any time with or without notice. In the event of the termination of Executive's employment for any reason, Executive will deliver to the Company all files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing proprietary information, and other materials of any nature pertaining to the proprietary information of the Company and to Executive's work performed for the Company, and will not take or keep in Executive's possession any of the foregoing or any copies.

(c) Developments. Executive will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works, and other works of authorship (collectively, "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by Executive (alone or jointly with others) or under Executive's direction during the period of Executive's employment. Executive acknowledges that all work performed by Executive is on a "work for hire" basis, and Executive hereby does assign and transfer and, to the extent any such assignment cannot be fully made at present, will assign and transfer, to the Company and its successors and assigns all Executive's right, title and interest in all Developments that (i) relate to the business of the Company or any customer of or supplier to the Company or any of the products or services being researched, developed, manufactured, commercialized, marketed or sold by the Company or that may be used with such products or services; or (ii) result from tasks assigned to Executive by the Company; or (iii) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("Company-Related Developments"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("Intellectual Property Rights"). To preclude any possible uncertainty, Executive has provided on Exhibit A to this Agreement a complete list of Developments that Executive has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of Executive's employment with the Company that Executive considers to be Executive's property or the property of third parties and that Executive wishes to have excluded from the scope of this Agreement ("Prior Inventions"). Executive has also listed on Exhibit A all patents and patent applications in which Executive is named as an inventor, other than those that have been assigned to the Company, ("Other Patent Rights"). If no such disclosure is set forth on Exhibit A, Executive represents that there are no Prior Inventions or Other Patent Rights. If, in the course of Executive's employment with the Company, Executive incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, Executive hereby grants to the Company a nonexclusive, royalty-free, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, Executive will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent. This Agreement does not obligate Executive to assign to the Company any Development that, in the sole judgment of the Company, reasonably exercised, is developed entirely on Executive's own time and does not relate to the business efforts or research and development efforts in which, during the period of Executive's employment, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, Executive will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. Executive understands that to the extent this Agreement is required to be construed in accordance with the laws of any state that precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 6(c) will be interpreted not to apply to any invention which a court rules and for the Company agrees falls within such classes. Executive also hereby waives all claims to any moral rights or other special rights which Executive may have or accrue in any Company-Related Developments.

(d) Enforcement of Agreement; Relief. Executive acknowledges and agrees that the Restrictive Covenant Agreements and all other provisions of this Agreement that are intended to endure beyond the terms of Executive's employment shall survive the termination of Executive's employment and that any violation of any of the Restrictive Covenant Agreements will cause immediate and irreparable damage to the Company, entitling it to specific performance, injunctive relief and other equitable remedies. Executive specifically consents to the issuance of temporary, preliminary, and permanent injunctive relief to enforce the terms of this Agreement. In addition to injunctive relief, the Company is entitled to all money damages available under the law. If Executive breaches any of the covenants contained in the Restrictive Covenant Agreements, in addition to the Company's other legal and equitable remedies, the Company may cease any termination benefits to which Executive might otherwise be entitled. Any such termination of the termination benefits by the Company in the event of a breach by Executive shall not affect Executive's ongoing obligations to the Company including pursuant to the Release.

(e) Notice of Intent to Resign. In the event Executive wishes to voluntarily terminate Executive's employment, Executive agrees to provide the Company with four (4) weeks advance written notice (the "Notice Period") of Executive's intent to do so, and, if Executive intends or contemplates alternative employment, Executive also agrees to provide the Company with accurate information concerning such alternative employment in sufficient detail to allow the Company to meaningfully exercise its rights under this Section 6. After receipt of such notice, the Company, in its sole, absolute and unreviewable discretion, may (i) require Executive to continue working during the Notice Period, (ii) relieve Executive of some or all of his work responsibilities during the Notice Period, or (iii) shorten the Notice Period and make Executive's voluntary termination of employment effective immediately. Notwithstanding the foregoing, if Executive provides notice of resignation, in no event shall Executive's separation of employment be

considered an involuntary termination by the Company, even if the effective date of termination is accelerated by the Company.

(f) Non-Disparagement. Executive agrees during and following the Term not to make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that the Company or its Affiliates engaged in any wrongful, unlawful or improper conduct, whether relating to Executive's employment (or the termination thereof), the business or operations of the Company or its Affiliates, or otherwise or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the Company or its Affiliates. Nothing herein will be deemed to preclude Executive from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or activities.

(g) Protected Rights. Notwithstanding anything in this Agreement to the contrary, Executive understands that nothing contained in this Agreement limits the Executive's ability to report possible violations of law or regulation to or file a charge or complaint with the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission or regulatory authority (collectively, "Government Agencies"). Executive further understands that this Agreement does not limit his 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. Furthermore (i) Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order.

(h) Breach. Executive acknowledges that the restrictions contained in this Agreement are fair, reasonable, and necessary for the protection of the legitimate business interests of the Company, that the Company will suffer irreparable harm in the event of any actual or threatened breach by Executive, and that it is difficult to measure in money the damages which will accrue to the Company by reason of a failure by Executive to perform any of Executive's obligations under this Section 6. Accordingly, if the Company or any of its Affiliates institutes any action or proceeding to enforce their rights under this Section 6, to the extent permitted by applicable law, Executive hereby waives the claim or defense that the Company or its Affiliates has an adequate remedy at law, Executive shall not claim that any such remedy at law exists, and Executive consents to the entry of a restraining order, preliminary injunction, or other preliminary, provisional, or permanent court order to enforce this Agreement, and expressly waives any security that might otherwise be required in connection with such relief. Executive also agrees that any request for such relief by the Company shall be in addition and without prejudice to any claim for monetary damages and/or other relief which the Company might elect to assert. In the event Executive violates any provision of this Section 6, the Company shall be entitled to recover all costs and expenses of enforcement, including reasonable attorneys' fees, and the time periods set forth above shall be extended for the period of time Executive remains in violation of the provisions.

(i) Release. Executive's execution of a complete and general release of any and all of Executive's potential claims (other than for benefits and payments described in this Agreement or any other vested benefits with the Company and/or its Affiliates) against the Company, any of its Affiliates, and their respective successors and any officers, employees, agents, directors, attorneys, insurers, underwriters, and assigns of the Company or its Affiliates and/or successors, is an express condition of Executive's right to receive termination payments and benefits under this Agreement. Executive shall be required to execute within 45 days after Executive's termination of employment (or

such shorter period of time as specified by the Company) the Company's standard form of general waiver and release agreement which documents the release required under this Section 6.

6. Survival. Sections 5, 6, 7, 9, 11, and 13 - 18, and such other provisions hereof as may so indicate shall survive and continue in full force and effect in accordance with their respective terms, notwithstanding any termination of the Term.

7. Notices. Any notice provided for in this Agreement shall be in writing and shall be delivered (i) personally, (ii) by certified mail, postage prepaid, (iii) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (iv) by facsimile or a PDF or similar attachment to an email, provided that such telecopy or email attachment shall be followed within one (1) business day by delivery of such notice pursuant to clause (i), (ii) or (iii) above. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):

If to the Company:

APREA THERAPEUTICS, INC.  
535 Boylston Street  
Boston, MA 02116  
Attention: Chief Executive Officer

If to Executive:

1040 GLENDEVON DR, AMBLER PA 19002  
At the most recent address on file with the Company

With a copy to:

8. Indemnification. During the Term, the Company agrees that it shall indemnify Executive and provide Executive with Directors & Officers liability insurance coverage to the same extent that it indemnifies and/or provides such insurance coverage to Board members and other most senior executive officers of the Company

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof, including, without limitation, the Prior Agreement.

10. No Conflict. Executive represents and warrants that Executive is not bound by any employment contract, restrictive covenant, or other restriction preventing Executive from carrying out Executive's responsibilities for the Company, or which is in any way inconsistent with the terms of this Agreement. Executive further represents and warrants that Executive shall not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be enforceable by Executive and his heirs, executors and personal representatives, and the Company and its successors and assigns. Any successor or assignee of the Company shall assume the liabilities of the Company hereunder.

12. Governing Law. This Agreement shall be governed by the internal laws (as opposed to the conflicts of law provisions) of the State of Delaware.

13. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

14. Withholding. All payments and benefits under this Agreement are subject to withholding of all applicable taxes and other required deductions.

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

16. Company Policies. Executive shall be subject to additional Company policies as they may exist from time-to-time, including policies with regard to stock ownership by senior executives and policies regarding trading of securities.

17. Code Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and for such purposes, each payment to Executive under this Agreement shall be considered a separate payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment" such term and similar terms shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Executive hereby agrees to be bound by the Company's determination of its "specified employees" (as such term is defined in Section 409A of the Code) provided such determination is in accordance with any of the methods permitted under the regulations issued under Section 409A of the Code. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (i) each such payment which is conditioned upon Executive's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A of the Code) as of the date of Executive's separation from service, each such payment that is payable upon Executive's separation from service and would have been paid prior to the six-month anniversary of Executive's separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive's separation from service or (B) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by Employer under any applicable expense reimbursement policy, and shall be paid to Executive within 30 days following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit. To the extent that the Severance Payment payable hereunder is deemed to be a substitute for a payment provided under another agreement with the Executive, then the Severance Payment payable hereunder shall be paid at the same time and in the same form as such substituted payment to the extent required to comply with Section 409A of the Code.

[Signature Page Follows.]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**APREA THERAPEUTICS, INC.**

By: /s/ Christian S. Schade  
Name: Christian S. Schade  
Title: Chief Executive Officer

**EXECUTIVE**

By: /s/ Oren Gilad  
Name: Oren Gilad  
Title: President



## EMPLOYMENT AGREEMENT

**THIS EMPLOYMENT AGREEMENT** (the "Agreement") between APREA THERAPEUTICS, INC., a Delaware corporation (the "Company"), and John P. Hamill (the "Executive"), is made and entered into as of January 30, 2023 and shall become effective January 30, 2023 (the "Effective Date").

**WHEREAS**, the Company desires to employ Executive on the terms and conditions contained herein;

**WHEREAS**, Executive desires to be employed by and render services to the Company upon and subject to the terms, conditions and other provisions set forth herein.

**NOW THEREFORE**, in consideration of the promises and mutual covenants and agreements contained herein, the adequacy of all of which consideration is hereby acknowledged, the parties hereby agree as follows:

1. Agreement and Term. The Company hereby agrees to employ Executive, and Executive hereby accepts such employment and agrees to render such services to the Company, on the terms and conditions set forth in this Agreement. Unless terminated earlier as set forth in Section 4 herein, Executive's employment and the term under this Agreement shall commence under the terms set forth herein on the Effective Date and shall continue until the third-anniversary of the Effective Date (the "Initial Term") and, thereafter, shall be extended automatically for successive one-year terms, unless either Executive or the Company gives contrary written notice not less than 60 days in advance of the expiration of the Initial Term or any succeeding term of this Agreement. The Initial Term, together with any extension thereof in accordance with this Section 1, shall be referred to herein as the "Term."

2. Positions and Authority. Executive shall serve in the position of Senior Vice President and Chief Financial Officer of the Company, or in such other position as the parties may agree. Executive agrees to serve in the officer position referred to in this Section 2, and to perform diligently and to the best of his abilities the duties and services appertaining to such offices as set forth in the Bylaws of the Company, as well as such additional duties and services appropriate to such offices that the parties may agree upon from time to time. Executive will report to the Chief Executive Officer of the Company. Upon the Effective Date, Executive's principal place of work shall be located in 3805 Old Easton Road, Doylestown, PA 18902.

During the Term, Executive shall devote Executive's full business time and efforts to the business and affairs of the Company and its subsidiaries, provided that the Executive shall be entitled to serve as a member of the board of directors of a reasonable number of other companies, to serve on civic, charitable, educational, religious, public interest or public service boards, and to manage the Executive's personal and family investments, in each case, to the extent such activities do not materially interfere with the performance of the Executive's duties and responsibilities hereunder. Executive shall not become a director of any for profit entity without first receiving the approval of the Chief Executive Officer of the Company.

3. Compensation and Benefits

(a) Base Salary. As compensation for Executive's performance of Executive's duties hereunder, Company shall pay to Executive an initial Base Salary of \$420,000 per year, payable in accordance with the normal payroll practices of the Company. The Base Salary shall be reviewed for increases but not decreases by the Compensation Committee of the Board (the "Compensation Committee") in good faith, based upon the Company's and Executive's performance and the Company's pay philosophy, not less often than annually. The term "Base Salary" shall refer to the Base Salary as may be in effect from time to time.

(b) Annual Incentive Compensation. During the Term, Executive shall be eligible to participate in the annual cash bonus program maintained for senior executive officers of the Company (the "Annual Incentive Program"), with an initial target annual bonus opportunity up to 40% of Base Salary. The actual amount of the annual bonus earned by and payable to Executive for any year or portion of a year, as applicable, shall be determined upon the satisfaction of goals and objectives established by the Compensation Committee, and shall be subject to such other terms and conditions of the Annual Incentive Program as in effect from time to time. Each bonus paid under the Annual Incentive Program shall be paid to Executive no later than March 15th of the calendar year following the calendar year in which the bonus is earned.

(c) Sign-On Bonus. Executive shall be entitled to a sign-on bonus (the “Sign-On Bonus”) in the amount of \$50,000, which amount shall be paid by the Company in the March 2024 Annual Incentive Program period and subject to Executive remaining employed through the bonus payment date.

(d) Long-Term Incentive Grants. During the Term, Executive shall be eligible to participate in the long-term incentive program maintained for senior executive officers of the Company (the “LTI Program”), with a LTI Program target opportunity and LTI Program Vehicles determined by the Compensation Committee for each year of participation.

(e) Initial Equity Grant. Executive will receive an incentive stock option to purchase 539,758 shares of the Company’s common stock under the Aprea Therapeutics, Inc. 2019 Equity Incentive Plan (as amended, the “Plan”) subject to the approval of the Board of Directors of the Company (the “Board”). The exercise price of the options will be at fair market value on the date of grant and shall be subject to a four-year vesting period with 25% of the options vesting on the first anniversary of the grant date and the remainder vesting in equal monthly installments over the next 36 months. The Executive will also receive 269,879 restricted stock units under the Plan subject to approval by the Board. The restricted stock units shall be subject to a three-year vesting period with one-third of the restricted stock units vesting on each yearly anniversary of the grant date. The terms of this grant shall be subject to and governed by the Plan and a stock option agreement and restricted stock unit agreement, as applicable, between Executive and the Company.

(f) Employee Benefits and Perquisites. During the Term, the Executive shall be entitled to receive all benefits and perquisites of employment generally available to other members of the Company’s senior executive management, upon Executive’s satisfaction of the eligibility or participation criteria therefor. The Company reserves the right to modify or terminate employee benefits and perquisites at its discretion.

(g) Business Expenses. Subject to Section 17, Executive shall be reimbursed for reasonable travel and other expenses incurred in the performance of Executive’s duties on behalf of the Company in a manner consistent with the Company’s policies regarding such reimbursements, as may be in effect from time to time.

#### 4. Termination of Employment.

(a) The Term shall end upon the first to occur of: (i) the expiration of the term of this Agreement pursuant to Section 1 hereof; (ii) Termination due to Disability (as defined below); (iii) termination of Executive’s employment by the Company for any reason other than Termination due to Disability; (iv) Executive’s death; or (v) termination of Executive’s employment by Executive for any reason. Upon the termination of Executive’s employment with the Company for any reason, Executive shall be deemed to have resigned from all positions with the Company or any of its Affiliates held by Executive as of the date immediately preceding Executive’s termination of employment.

(b) If Executive’s employment ends for any reason, except as otherwise contemplated in this Section 4, Executive shall cease to have any rights to salary, bonus (if any) or other benefits, other than (i) the earned but unpaid portion of Executive’s Base Salary then in effect through the date of termination or resignation, (ii) a lump-sum payment in respect of accrued but unused vacation days at the Executive’s per-business-day Base Salary rate, (iii) any unpaid expense or other reimbursements due to Executive, and (iv) any other amounts or benefits required to be paid or provided by law or under any plan, program, policy or practice of the Company.

(c) Termination without Cause or for Good Reason. If Executive’s employment hereunder shall be terminated by the Company without Cause, termination upon the expiration of the Term following notice of non-renewal by the Company, or by Executive for Good Reason, then in addition to the payments and benefits described in Section 4(b) and subject to Section 17 and Executive’s continuing compliance with Section 5 of this Agreement:

(i) the Company shall pay Executive an amount equal to nine months of the Executive’s Base Salary (the “Severance Payment”), payable during the nine-month period following such termination of employment, with the Severance Payment commencing as soon as administratively feasible within 60 days following Executive’s termination of employment and the first installment payment including the portion of

the Severance Payment that was payable prior to such first payment date; provided, however, if the Executive's employment is terminated under circumstances entitling the Executive to severance under this Section 4(c) within 12 months following a Change in Control (a "CIC Qualifying Termination"), then all unvested equity grants shall immediately accelerate and become fully vested;

(ii) the Company shall pay Executive an annual bonus for the year of termination equal to the Executive's target annual bonus opportunity, payable within 60 days following the Executive's termination of employment, subject to proration based on the number of days in the calendar year that have elapsed prior to the date of termination;

(iii) following the Executive's termination of employment, the Company shall pay to the Executive (or to the Executive's family in the event of Executive's death) on a monthly basis an amount equal to the monthly amount of the Consolidated Omnibus Budget Reconciliation Act of 1985 continuation coverage premium for such month, at the same level and cost to the Executive (or the Executive's family in the event of Executive's death) as immediately preceding the Executive's termination of employment, under the Company group medical plan in which the Executive participated immediately preceding the Executive's termination of employment, less the amount of the Executive's portion of such monthly premium as in effect immediately preceding the Executive's termination of employment, until the earlier of (A) nine months after the Executive's termination of employment and (B) the Executive and Executive's family have obtained other substantially similar healthcare coverage; provided, however, if the Executive experiences a CIC Qualifying Termination, then the number of months set forth in clause (A) of this sentence shall be increased to twelve (12) months.

For the avoidance of doubt, Executive shall not be entitled to the benefits described in this Section 4(c) for a Termination due to Disability, termination of Executive's employment for Cause, Executive's death, or termination of Executive's employment by Executive for any reason other than for Good Reason.

(d) Section 280G. Notwithstanding anything to the contrary in this Agreement, Executive expressly agrees that if the payments and benefits provided for in this Agreement or any other payments and benefits which Executive has the right to receive from the Company and its Affiliates (collectively, the "Payments"), would constitute a "parachute payment" (as defined in Section 280G(b) (2) of the Internal Revenue Code of 1986, as amended (the "Code")), then the Payments shall be either (i) reduced (but not below zero) so that the present value of the Payments will be one dollar (\$1.00) less than three times Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of the Payments received by Executive shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Executive. The reduction of Payments, if any, shall be made by reducing first any Payments that are exempt from Section 409A of the Code and then reducing any Payments subject to Section 409A of the Code in the reverse order in which such Payments would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time). The determination as to whether any such reduction in the Payments is necessary shall be made by the Compensation Committee in good faith. If a reduced Payment is made or provided and, through error or otherwise, that Payment, when aggregated with other payments and benefits from Company (or its Affiliates) used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company.

(e) Certain Definitions.

"Affiliate" shall mean all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by management authority, or an equity interest of 50% or more (direct or indirect).

"Cause" shall mean, in the sole discretion of the Board:

(i) conduct by Executive in connection with Executive's service to the Company or any Affiliate that is fraudulent, unlawful or grossly negligent;

(ii) Executive's material breach of Executive's material responsibilities to the Company or any Affiliate or Executive's willful failure to comply with reasonable and lawful directives of the Board;

(iii) Executive's material breach of Executive's material representations, warranties, covenants and/or obligations under this Agreement;

(iv) material misconduct by Executive that seriously discredits or damages the Company or any Affiliate;

(v) nonperformance or unsatisfactory performance of Executive's material duties or responsibilities to the Company or any Affiliate;

(vi) violation of the Company's or any of its Affiliates' policies including, without limitation, the Company's Code of Conduct and policies on equal employment opportunity and prohibition of unlawful harassment; and/or

(vii) the conviction of, or plea of nolo contendere to, any felony or a misdemeanor involving dishonesty or fraud

In the case of each of (ii), (iii), (iv), (v) and (vi) as determined in good faith by the Board after written notice to Executive providing reasonable details of the alleged breach and not less than a 30 day period to cure the alleged breach; provided that the Company may suspend Executive's employment, access, authority and duties during such cure period.

"Change in Control" shall have the meaning assigned to such term in the Company's 2019 Equity Incentive Plan.

"Good Reason" shall mean that Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following actions undertaken by the Company without Executive's express prior written consent:

(i) the changing of Executive's position from Senior Vice President and Chief Financial Officer;

(ii) a material diminution in Executive's responsibilities, authority or function as Senior Vice President and Chief Financial Officer of the Company;

(iii) a material reduction in Executive's Base Salary and/or annual target bonus opportunity; provided, however, that Good Reason shall not be deemed to have occurred in the event of a reduction in Executive's Base Salary and/or annual target bonus opportunity that is pursuant to a reduction program affecting substantially all of the senior level employees of the Company and that does not adversely affect Executive to a greater extent than other similarly situated senior level employees; or

(iv) a change of more than 30 miles in the geographic location at which Executive must regularly report to work and perform services, except for required travel on business of the Company; provided, however, that "Good Reason" shall not include, following a Change of Control, a reduction in title, position, responsibilities or duties solely by virtue of the Company being acquired and made part of, or operating as a subsidiary or division of a larger company or organization, as long as Executive's new duties and responsibilities are commensurate with Executive's experience.

"Good Reason Process" shall mean that: (i) Executive has reasonably determined in good faith that a "Good Reason" has occurred; (ii) Executive has notified the Board in writing of the first occurrence of the Good Reason condition within 60 days of the first occurrence of such condition; (iii) Executive has cooperated in good faith with the efforts of the Company, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) Executive

terminates employment within 60 days after the end of the Cure Period. If the Good Reason condition is cured by the Company during the Cure Period, Good Reason shall be deemed not to have occurred.

“Termination due to Disability” shall mean Executive’s termination of employment as a result of Executive becoming incapacitated for a period of at least 180 days by accident, sickness or other circumstance that renders Executive mentally or physically incapable of performing the material duties as Senior Vice President and Chief Financial Officer.

5. Restrictive Covenants.

(a) Confidential Information and Restricted Activities. By signing this Agreement, Executive represents that Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed on Executive pursuant to this Section 5 (collectively, the “Restrictive Covenant Agreements”). For purposes of the Restrictive Covenant Agreements, “Company” shall mean the Company and its Affiliates. Executive agrees that during Executive’s employment and for the twelve month period after Executive’s employment with the Company ends for any reason (the “Restricted Period”) Executive will not (without the Company’s prior written consent), whether as owner, partner, shareholder, director, consultant, agent, employee, co-venturer or otherwise, (i) engage, participate or invest in any business activity anywhere in the world that develops, markets or sells any products, or performs or sells any services that directly or indirectly target the pharmacological restoration of normal function to wild type or missense-mutant P53 in oncologic applications; provided that this shall not prohibit any investment by Executive in publicly traded stock of a company representing less than two percent of the stock of such company, (ii) (A) solicit or attempt to solicit, or (B) take away or divert from the Company, or attempt to take away or divert from the Company, the business or patronage of any customer(s) known to Executive with respect to which Executive was involved in soliciting, in each case at any time during the twelve-month period that immediately preceded the termination of Executive’s employment with the Company and with which, as a result of Executive’s employment with the Company, Executive had business dealings or about which Executive acquired confidential information, or (iii) (A) recruit or attempt to recruit, solicit or attempt to solicit, hire or attempt to hire, interfere with or endeavor to entice away or (B) assist in recruiting or attempting to recruit, soliciting or attempting to solicit, hiring or attempting to hire, interfering with or enticing away any person who is or was employed by the Company or is or was an agent, representative or consultant of the Company within the six-month period preceding the termination of Executive’s employment with the Company. Executive agrees without reservation that these restraints are necessary for the reasonable and proper protection of the Company, and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area. Executive further understands that Executive’s obligations under the Restrictive Covenant Agreements will continue in accordance with their express terms regardless of any changes in Executive’s title, position, duties, salary, compensation or benefits or other terms and conditions of employment. Executive expressly consents to be bound by the provisions of the Restrictive Covenant Agreements for the benefit of the Company or any Affiliate or successor to whose employ Executive may be transferred.

(b) Return of Property. All files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing Company information, whether created by Executive or others, which come into Executive’s custody or possession, are the exclusive property of the Company to be used by Executive only in the performance of Executive’s duties for the Company. Any property situated on the Company’s premises and owned by the Company, including without limitation computers, disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company at any time with or without notice. In the event of the termination of Executive’s employment for any reason, Executive will deliver to the Company all files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing proprietary information, and other materials of any nature pertaining to the proprietary information of the Company and to Executive’s work performed for the Company, and will not take or keep in Executive’s possession any of the foregoing or any copies.

(c) Developments. Executive will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, audio or visual works, and other works

of authorship (collectively, "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by Executive (alone or jointly with others) or under Executive's direction during the period of Executive's employment. Executive acknowledges that all work performed by Executive is on a "work for hire" basis, and Executive hereby does assign and transfer and, to the extent any such assignment cannot be fully made at present, will assign and transfer, to the Company and its successors and assigns all Executive's right, title and interest in all Developments that (i) relate to the business of the Company or any customer of or supplier to the Company or any of the products or services being researched, developed, manufactured, commercialized, marketed or sold by the Company or that may be used with such products or services; or (ii) result from tasks assigned to Executive by the Company; or (iii) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("Company-Related Developments"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("Intellectual Property Rights"). To preclude any possible uncertainty, Executive has provided on Exhibit A to this Agreement a complete list of Developments that Executive has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of Executive's employment with the Company that Executive considers to be Executive's property or the property of third parties and that Executive wishes to have excluded from the scope of this Agreement ("Prior Inventions"). Executive has also listed on Exhibit A all patents and patent applications in which Executive is named as an inventor, other than those that have been assigned to the Company, ("Other Patent Rights"). If no such disclosure is set forth on Exhibit A, Executive represents that there are no Prior Inventions or Other Patent Rights. If, in the course of Executive's employment with the Company, Executive incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, Executive hereby grants to the Company a nonexclusive, royalty-free, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use and sell such Prior Invention. Notwithstanding the foregoing, Executive will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent. This Agreement does not obligate Executive to assign to the Company any Development that, in the sole judgment of the Company, reasonably exercised, is developed entirely on Executive's own time and does not relate to the business efforts or research and development efforts in which, during the period of Executive's employment, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, Executive will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. Executive understands that to the extent this Agreement is required to be construed in accordance with the laws of any state that precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this Section 5(c) will be interpreted not to apply to any invention which a court rules and /or the Company agrees falls within such classes. Executive also hereby waives all claims to any moral rights or other special rights which Executive may have or accrue in any Company-Related Developments.

(d) Enforcement of Agreement; Relief. Executive acknowledges and agrees that the Restrictive Covenant Agreements and all other provisions of this Agreement that are intended to endure beyond the terms of Executive's employment shall survive the termination of Executive's employment and that any violation of any of the Restrictive Covenant Agreements will cause immediate and irreparable damage to the Company, entitling it to specific performance, injunctive relief and other equitable remedies. Executive specifically consents to the issuance of temporary, preliminary, and permanent injunctive relief to enforce the terms of this Agreement. In addition to injunctive relief, the Company is entitled to all money damages available under the law. If Executive breaches any of the covenants contained in the Restrictive Covenant Agreements, in addition to the Company's other legal and equitable remedies, the Company may cease any termination benefits to which Executive might otherwise be entitled. Any such termination of the termination benefits by the Company in the event of a breach by Executive shall not affect Executive's ongoing obligations to the Company including pursuant to the Release.

(e) Notice of Intent to Resign. In the event Executive wishes to voluntarily terminate Executive's employment, Executive agrees to provide the Company with four (4) weeks advance written notice (the "Notice Period") of Executive's intent to do so, and, if Executive intends or contemplates alternative employment, Executive also agrees to provide the Company with accurate information concerning such alternative employment in sufficient detail to allow the Company to meaningfully exercise its rights under this Section 5. After receipt of such notice, the Company, in its sole, absolute and unreviewable discretion, may (i) require Executive to continue working during the Notice Period, (ii) relieve Executive of some or all of his work responsibilities during the Notice Period, or (iii) shorten the Notice Period and make Executive's voluntary termination of employment effective immediately. Notwithstanding

the foregoing, if Executive provides notice of resignation, in no event shall Executive's separation of employment be considered an involuntary termination by the Company, even if the effective date of termination is accelerated by the Company.

(f) Non-Disparagement. Executive agrees during and following the Term not to make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that the Company or its Affiliates engaged in any wrongful, unlawful or improper conduct, whether relating to Executive's employment (or the termination thereof), the business or operations of the Company or its Affiliates, or otherwise or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the Company or its Affiliates. Nothing herein will be deemed to preclude Executive from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or activities.

(g) Protected Rights. Notwithstanding anything in this Agreement to the contrary, Executive understands that nothing contained in this Agreement limits the Executive's ability to report possible violations of law or regulation to or file a charge or complaint with the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission or regulatory authority (collectively, "Government Agencies"). Executive further understands that this Agreement does not limit his 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. Furthermore (i) Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order.

(h) Breach. Executive acknowledges that the restrictions contained in this Agreement are fair, reasonable, and necessary for the protection of the legitimate business interests of the Company, that the Company will suffer irreparable harm in the event of any actual or threatened breach by Executive, and that it is difficult to measure in money the damages which will accrue to the Company by reason of a failure by Executive to perform any of Executive's obligations under this Section 5. Accordingly, if the Company or any of its Affiliates institutes any action or proceeding to enforce their rights under this Section 5, to the extent permitted by applicable law, Executive hereby waives the claim or defense that the Company or its Affiliates has an adequate remedy at law, Executive shall not claim that any such remedy at law exists, and Executive consents to the entry of a restraining order, preliminary injunction, or other preliminary, provisional, or permanent court order to enforce this Agreement, and expressly waives any security that might otherwise be required in connection with such relief. Executive also agrees that any request for such relief by the Company shall be in addition and without prejudice to any claim for monetary damages and/or other relief which the Company might elect to assert. In the event Executive violates any provision of this Section 5, the Company shall be entitled to recover all costs and expenses of enforcement, including reasonable attorneys' fees, and the time periods set forth above shall be extended for the period of time Executive remains in violation of the provisions.

(i) Release. Executive's execution of a complete and general release of any and all of Executive's potential claims (other than for benefits and payments described in this Agreement or any other vested benefits with the Company and/or its Affiliates) against the Company, any of its Affiliates, and their respective successors and any officers, employees, agents, directors, attorneys, insurers, underwriters, and assigns of the Company or its Affiliates and/or successors, is an express condition of Executive's right to receive termination payments and benefits under this Agreement. Executive shall be required to execute within 45 days after Executive's termination of employment (or such shorter period of time as specified by the Company) the Company's standard form of general waiver and release agreement which documents the release required under this Section 5.

6. Survival. Sections 5, 6, 8, 10, and 12 - 17, and such other provisions hereof as may so indicate shall survive and continue in full force and effect in accordance with their respective terms, notwithstanding any termination of the Term.

7. Notices. Any notice provided for in this Agreement shall be in writing and shall be delivered (i) personally, (ii) by certified mail, postage prepaid, (iii) by Federal Express or other reputable courier service regularly providing evidence of delivery (with charges paid by the party sending the notice), or (iv) by facsimile or a PDF or similar attachment to an email, provided that such telecopy or email attachment shall be followed within one (1) business day by delivery of such notice pursuant to clause (i), (ii) or (iii) above. Any such notice to a party shall be addressed at the address set forth below (subject to the right of a party to designate a different address for itself by notice similarly given):

If to the Company:

APREA THERAPEUTICS, INC.  
3805 Old Easton Road  
Doylestown PA 18902  
Attention: Chief Executive Officer

If to Executive:

John P. Hamill  
At the most recent address on file with the Company

With a copy to:

DLA Piper LLP (US)  
Attn: Fahd M.T. Riaz, Esq.  
1650 Market Street  
Suite 5000  
Philadelphia, PA 19103

8. Indemnification. During the Term, the Company agrees that it shall indemnify Executive and provide Executive with Directors & Officers liability insurance coverage to the same extent that it indemnifies and/or provides such insurance coverage to Board members and other most senior executive officers of the Company

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof, including, without limitation, the Prior Agreement.

10. No Conflict. Executive represents and warrants that Executive is not bound by any employment contract, restrictive covenant, or other restriction preventing Executive from carrying out Executive's responsibilities for the Company, or which is in any way inconsistent with the terms of this Agreement. Executive further represents and warrants that Executive shall not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be enforceable by Executive and his heirs, executors and personal representatives, and the Company and its successors and assigns. Any successor or assignee of the Company shall assume the liabilities of the Company hereunder.

12. Governing Law. This Agreement shall be interpreted, construed, governed, and enforced according to the laws of the Commonwealth of Pennsylvania without regard to the application of choice of law rules.



13. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.
14. Withholding. All payments and benefits under this Agreement are subject to withholding of all applicable taxes and other required deductions.
15. Clawbacks. The payments to Executive pursuant to this Agreement are subject to forfeiture or recovery by the Company or other action pursuant to any clawback or recoupment policy which the Company may adopt from time to time, including without limitation any such policy or provision that the Company has included in any of its existing compensation programs or plans or that it may be required to adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act and implementing rules and regulations thereunder, or as otherwise required by law.
16. Company Policies. Executive shall be subject to additional Company policies as they may exist from time-to-time, including policies with regard to policies regarding trading of securities.
17. Code Section 409A. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall be interpreted and construed consistently with such intent. The payments to Executive pursuant to this Agreement are also intended to be exempt from Section 409A of the Code to the maximum extent possible, under either the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii) or as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and for such purposes, each payment to Executive under this Agreement shall be considered a separate payment. In the event the terms of this Agreement would subject Executive to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and Executive shall cooperate diligently to amend the terms of the Agreement to avoid such 409A Penalties, to the extent possible. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment" such term and similar terms shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Executive hereby agrees to be bound by the Company's determination of its "specified employees" (as such term is defined in Section 409A of the Code) provided such determination is in accordance with any of the methods permitted under the regulations issued under Section 409A of the Code. Notwithstanding any other provision in this Agreement, to the extent any payments made or contemplated hereunder constitute nonqualified deferred compensation, within the meaning of Section 409A, then (i) each such payment which is conditioned upon Executive's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (ii) if Executive is a specified employee (within the meaning of Section 409A of the Code) as of the date of Executive's separation from service, each such payment that is payable upon Executive's separation from service and would have been paid prior to the six-month anniversary of Executive's separation from service, shall be delayed until the earlier to occur of (A) the first day of the seventh month following Executive's separation from service or (B) the date of Executive's death. Any reimbursement payable to Executive pursuant to this Agreement shall be conditioned on the submission by Executive of all expense reports reasonably required by Employer under any applicable expense reimbursement policy, and shall be paid to Executive within 30 days following receipt of such expense reports, but in no event later than the last day of the calendar year following the calendar year in which Executive incurred the reimbursable expense. Any amount of expenses eligible for reimbursement, or in-kind benefit provided, during a calendar year shall not affect the amount of expenses eligible for reimbursement, or in-kind benefit to be provided, during any other calendar year. The right to any reimbursement or in-kind benefit pursuant to this Agreement shall not be subject to liquidation or exchange for any other benefit. To the extent that the Severance Payment payable hereunder is deemed to be a substitute for a payment provided under another agreement with the Executive, then the Severance Payment payable hereunder shall be paid at the same time and in the same form as such substituted payment to the extent required to comply with Section 409A of the Code.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**APREA THERAPEUTICS, INC.**

By: /s/ Oren Gilad  
Name: Oren Gilad  
Title: Chief Executive Officer

**EXECUTIVE**

/s/ John P. Hamill  
John P. Hamill

## Subsidiaries

Subsidiary	Jurisdiction of Incorporation
Aprea Therapeutics AB	Sweden
Aprea US, Inc.	Delaware
ATR Merger Sub II LLC	Delaware

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**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-234765) pertaining to the 2019 Equity Incentive Plan of Aprea Therapeutics, Inc.,
- (2) Registration Statement (Form S-8 No. 333-250043) pertaining to the 2019 Equity Incentive Plan of Aprea Therapeutics, Inc.,
- (3) Registration Statement (Form S-3/A No. 333-250041) of Aprea Therapeutics, Inc.,
- (4) Registration Statement (Form S-8 No. 333-260884) pertaining to the 2019 Equity Incentive Plan of Aprea Therapeutics, Inc.,
- (5) Registration Statement (Form S-8 No. 333-268816) pertaining to the 2019 Equity Incentive Plan of Aprea Therapeutics, Inc.,
- (6) Registration Statement (Form S-8 No. 333-265411) pertaining to the Atrin Pharmaceuticals LLC 2016 Amended and Restated Equity Compensation Plan,

of our report dated March 30, 2023, with respect to the consolidated financial statements of Aprea Therapeutics, Inc. included in this Annual Report (Form 10-K) for the year ended December 31, 2022.

/s/ Ernst & Young LLP

Iselin, New Jersey  
March 30, 2023

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**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-234765) pertaining to the 2019 Equity Incentive Plan of Aprea Therapeutics, Inc.,
- (2) Registration Statement (Form S-8 No. 333-250043) pertaining to the 2019 Equity Incentive Plan of Aprea Therapeutics, Inc., and
- (3) Registration Statement (Form S-3/A No. 333-250041) and related Prospectus of Aprea Therapeutics Inc.;

of our report dated August 20, 2019 (except for the retroactive effect of the 1-for-1.6045 stock split of the Company's preferred and common stock, as to which the date is September 27, 2019), with respect to the consolidated financial statements of Aprea Therapeutics AB as of December 31, 2018 and for the year in the period ended December 31, 2018, included in this Annual Report (Form 10-K) of Aprea Therapeutics Inc. for the year ended December 31, 2020.

/s/ Ernst & Young AB

Stockholm, Sweden

March 16, 2021

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

I, Oren Gilad, certify that:

1. I have reviewed this Annual Report on Form 10-K of Aprea Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2023

/s/ Oren Gilad  
\_\_\_\_\_  
Oren Gilad, Ph.D.  
Chief Executive Officer  
(Principal Executive Officer)

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

I, John P. Hamill, certify that:

1. I have reviewed this Annual Report on Form 10-K of Aprea Therapeutics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2023

/s/ John P. Hamill

John P. Hamill

Chief Financial Officer

(Principal Financial and Accounting Officer)

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

In connection with the Annual Report of Aprea Therapeutics, Inc. (the "Company") on Form 10-K for the year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Oren Gilad, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2023

/s/ Oren Gilad  
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Oren Gilad, Ph.D.  
Chief Executive Officer  
(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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

In connection with the Annual Report of Aprea Therapeutics, Inc. (the "Company") on Form 10-K for the year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John P. Hamill, Chief Accounting Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2023

/s/ John P. Hamill

John P. Hamill

Chief Financial Officer

(Principal Financial and Accounting Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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